



2017-2018 Budget & Financial Plan

ADOPTED BUDGET



Future BART Station



Bob McGuire Park



Traverse Project



Harmony Project

City of Milpitas
CALIFORNIA

Blank Page



2017-2018 Adopted Budget

Rich Tran, Mayor

Marsha Grilli, Vice Mayor

Garry Barbadillo, Councilmember

Bob Nuñez, Councilmember

Anthony Phan, Councilmember

Submitted By:

Steven Pangelinan, Interim City Manager

Prepared By:

Finance Department

Blank Page

TABLE OF CONTENTS

Letter of Transmittal

Vision, Values & Goals	1
Budget Message.	3

Five Year General Fund Forecast

Fiscal Year 2017-18 through Fiscal Year 2021-23	19
-----------------------------------------------------------	----

Budget Guidelines and Fiscal Policies

Awards	23
Budget Guidelines	25
Budget Preparation Process and Timeline	28
Fiscal Policies.	32

Resolutions

Resolution Adopting the Appropriations Limit.	35
Joint Resolution Adopting the Final Budget	37
Classification Plan Amendments	40

General Information

Organization Chart	45
City History	46
Demographic Profile	47
Vicinity Map	53
City Council, Board and Commissions	54
Directory of Officials	56
Gann Limit Analysis	57
Computation of Legal Bonded Debt	58
Authorized Positions by Division	59

Funded Permanent Positions by Department.	60
---------------------------------------------------	----

Financial Information

Fund Structure	61
Budget Summary	62
Distribution of Revenues	64
Distribution of Expenditures	64
General Fund Revenue Assumptions.	65
Revenues by Fund (Summary).	66
Revenues by Fund (Detail).	68
History of Property Tax Revenue	80
History of Transient Occupancy Tax Revenue	80
Property Tax, Comparison with Other Jurisdictions	81
Transient Occupancy Tax, Comparison with Other Jurisdictions	82
History of Sales Tax Revenue	83
History of Building Permit Revenue	83
Sales Tax, Comparison with Other Jurisdictions	84
Building Permit Revenue, Comparison with Other Jurisdictions	85
History of Intergovernmental Revenue.	86
History of "Other" Tax Revenue	86
Franchise Fees, Comparison with Other Jurisdictions	87
Expenditure by Fund (Summary)	88
Expenditures by Fund (Detail)	89
Expenditures by Function.	96
Internal Cost Allocation by Function Schedule.	98
Operating Transfers Statement	100

Budget Narrative and Summary

City Council	105
City Manager	111
City Clerk	115
Economic Development	119
City Attorney	123
Building and Safety.	129
Information Services.	135
Human Resources	141
Recreation	149
Finance.	155

Public Works	161
Engineering	169
Planning & Neighborhood Svcs	175
Police	181
Fire	187
Non-Departmental	193

Capital Budget

Capital Budget Summary	197
Community Improvement Projects	198
Park Improvement Projects	201
Street Improvement Projects	203
Water Improvement Projects	206
Sewer Improvement Projects	209
Storm Drain Improvement Projects	211

Appendix

Budget and Budgetary Accounting	213
Fund Descriptions.	217
Revenue Descriptions	220
Expenditure Descriptions	223
List of Funds	230
List of Departments/Divisions/Functions	232
List of Revenues.	234
List of Expenditures	238
Abbreviations and Acronyms	240
Glossary of Terms.	242
Index.	247

Blank Page

City of Milpitas

Community Vision

Milpitas will preserve its close-knit community and rich cultural diversity as it moves with innovation into the future by supporting sustainable growth and development, ensuring public safety, enhancing the environment and natural landscape, and nurturing landscape, and nurturing family and community connections.

Organizational Mission

The City of Milpitas is committed to accomplishing the community's vision by providing fiscally sound, superior services.

Our Values

- *Superior Customer Service*
- *Open Communication*
- *Integrity and Accountability*
- *Trust and Respect*
- *Recognition and Celebration*

Our Goals

- *Superior Customer Service*
- *Public Safety*
- *Growth and Economic Development*
- *Community Connections*
- *Regional Partnerships*
- *Environment*
- *Fiscal Responsibility*

Blank Page



CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479 www.ci.milpitas.ca.gov

July 1, 2017

Honorable Mayor and City Council of the City of Milpitas
Milpitas, California 95035

Members of the City Council:

It is with great pleasure that I present the Adopted Budget for Fiscal Year (FY) 2017-18. This document includes both the City's operating and capital improvement budget for all activities including major funds such as the City's water and sewer utility operations. The FY 2017-18 budget was developed to incorporate the City Council's priorities and policy direction listed below.

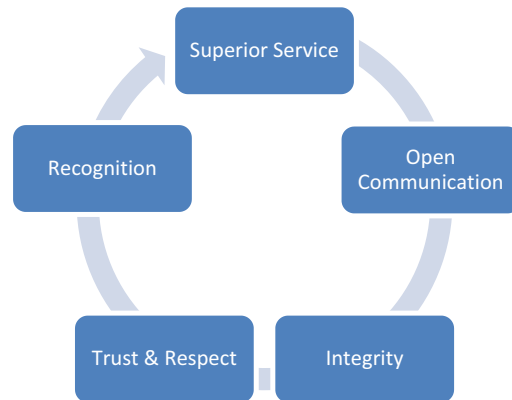
Policy Direction

- Continue restoring, maintaining and enhancing a high level of vital community services.
- Sustaining a focus on public safety, infrastructure improvements, roadways & facility maintenance, forward-looking city planning, and fiscal strength.
- Maintaining and improving high quality of life standards.
- Fortifying fiscal strategies to ensure readiness in the face of economic uncertainties and securing revenue streams that cannot be subjected to State takeaways.
- Effecting a reliable revenue stream for capital improvement projects and public safety enhancements.
- Keeping on the path of continual improvements via the evaluation of City functions with an eye on eliminating duplications and achieving cost efficiencies.
- Promoting economic development strategies to recruit and retain businesses.
- Moving ahead with the commercial and residential development synergy in the Midtown and Transit areas surrounding the new light rail system and BART system.
- Finding ways to alleviate traffic congestion and improving overall circulation.

The FY 2017-18 Adopted Budget presents a balanced General Fund without the need to draw upon reserves in the near term. In fact, the budget firms up reserves as a cautious and proactive measure given the certainty of future rising costs. With this posture of careful fiscal planning and cost control, the City's financial condition has been steadied since the 2008-09 "Great Recession". The road to recovery has been long and hard coming off of the 2012 State imposed dissolution of Redevelopment Agencies that led to the loss of \$7 million in annual operating cost reimbursements from the Milpitas Redevelopment Agency (RDA) to the General Fund. Consequently, staffing and resources were drastically cut, preventing the City from completing several major infrastructure, economic development and affordable housing projects. In particular, the City weathered these economic challenges by reducing general operating costs, negotiating employee concessions, realizing savings from attrition, employee layoffs, staff outsourcing, and the reorganization and restructuring of non-core programs. These cost cutting measures, albeit painful, were necessary to stabilize the General Fund's financial condition. The City's challenge, as for many cities, is to maintain service delivery in this "new normal" environment that brings with it rising cost pressures combined with narrow and limited income streams.

The primary focus of the FY 2017-18 budget remains consistent - to sustain core services by responsibly restoring staffing levels while maximizing overall organizational efficiency and cost savings. The City still faces considerable long-term fiscal challenges. These include: instituting reliable funding sources to upgrade or rehabilitate aging infrastructure; addressing significant statewide storm water mandates; maintaining and improving public safety services; and enhancing open public spaces. Cost pressures compel us to keep long term liabilities in check, manage escalating pension costs, and rising medical insurance premiums. These challenging areas are common to most municipalities.

In FY 2015-16, the City completed its mission to renew its Strategic Plan, last updated in 1993. The plan was founded on the City vision that promotes a close-knit, culturally diverse, safe, clean and beautiful city, rich with community connections. This essential plan sets forth the values and goals of the city as follows:



This strategic plan comes with a solid underpinning of goals upon which the FY 2017-18 Budget was developed. These goals are relevant to all departments and include:

- Superior Customer Service
- Public Safety
- Economic Development
- Community Connections
- Regional Partnerships
- Environmental Consciousness
- Fiscal Responsibility.

The resources outlined in this fiscal plan further the mission, values and goals described above.

Being named as one of Silicon Valley's fastest growing Cities, Milpitas is in the midst of an exciting urban transformation. Much anticipation surrounds the 2018-19 opening of the Bay Area Rapid Transit ("BART")'s Milpitas Station that will ultimately connect to the Berryessa Station in San Jose. This substantial development led to the adoption of the City's Transit Area Specific Plan ("TASP") in 2008. Expectations of this plan have been realized this year with the transformation of an aged industrial area to higher intensity transit-oriented district with housing, office, and retail. In the end result, the City anticipates the addition of more than 6,000 units of high density housing to support the large public investment in transit facilities.

With the BART transit station "coming to town," Milpitas has begun to experience the expected synergies of attracting both hotels and restaurants. Furthermore, private developments have agreed to add community benefits, and have been conditioned to add new parks and recreation open spaces along with related funding given the heightened demand that comes with new housing. Furthermore, the re-establishment of the economic development function in recent years could not have been better timed as the City is postured as an ideal venue for investment and regional partnerships.

As the City continues to grow, we remain committed to keeping Milpitas a City where people desire to work, live, play and raise families. The community investments outlined in this budget will provide needed improvements throughout the City and in every neighborhood for all to enjoy.

PROCESS & BUDGET HIGHLIGHTS

The budget process is an exercise in fiscal strategic planning that involves close coordination between the executive team and a score of staff budget representatives. This budget year, staff was asked to submit requests on an unfiltered basis for discussing resource needs comprehensively from both a short and long-term perspective. Doing so fostered a healthy conversation of demands and resources, promoted a robust discussion of priorities and provided a tool to assist future planning and assessments. During the budget process, the various departments did just that, submitting requests, both for position restorations, equipment, and service needs, that far exceeded the City's limited resources. In fact, funding all requests as initially submitted would have required several millions of dollars (over \$3M) of revenue beyond what has been ultimately included in the adopted budget. The budget before you places an emphasis of the highest priority goals while keeping service delivery standards whole.

After much internal deliberation, trade-offs and prioritization, staff brought to City Council a draft FY 2017-18 General Fund Budget with estimated revenues and other financing sources matching expenditures. All staffing changes incorporated in this budget are discussed below in the Budget Highlight section. Considering all updates made as a result of the study session and budget hearing input, the adopted General Fund budget remains balanced.

The City experienced revenue increases, compared to budget and current year estimates, in property tax revenue, sales tax, planning, and building inspection revenue as the local economy continues its upward trajectory and development activity gains steam. Transient Occupancy Tax (Hotel tax) reflects an increase over the prior year budget but is scaled down below current projections which reflect extraordinary events. Property tax estimates are based on assessed value information provided by the County Assessor's office. Sales tax revenue is based upon regional and local trends, specific city data and specialist provided data. Building permit and inspection revenues are based on developer trends and anticipated building activities provided by Building staff. Hotel tax revenue estimates are based upon historical trends.

General Fund expenditures reflect a 9.1% or \$7.5 million increase compared to the FY 2016-17 adopted budget. Of the \$7.5 million increase, personnel increased by \$7.4 million, or 11%, due to, increased employer contributions to pension plans; employee benefits, salary pursuant to contracts negotiated with employee groups, and staffing additions/ reclassifications. Materials & services increased by \$0.2 million, or 1.2%, mostly in the areas of development related contractual services and maintenance.

General Fund revenue, including operational transfers, approximate \$90.2 million, a 9.2% or \$7.6 million increase compared to the FY 2016-17 adopted budget. The projected growth for Property Tax and Sales Tax revenue is 7.9% and 15.9% over prior year adopted budget and a decrease of 4.6% and 2.7% under current year actuals respectively. Transient Occupancy Tax (Hotel Tax) is projected to be 2.7% over the prior year budget but 6% under current actuals. Hotel Tax revenue will increase in the future as more planned hotel developments are brought on-line in the TASP and other areas of Milpitas. Property Tax, a primary revenue source, will experience growth of over \$2 million reflecting economic stability. Sales Tax is projected to experience healthy gains of over \$3.5 million. License, permits and charges for services are bolstered by an expected robust development activity.

The FY 2017-18 Adopted Budget funds an additional 25.5 full time equivalent positions (FTEs) These additional positions include 1 Sr. Plan Check Engineer, 3 Building Apprentices, 0.5 Office Assistant, 1 Assistant City Manager, 1 Economic Development Specialist, 1 Public Works Inspector, 1 Senior Accountant, 3 Firefighters and 1 Fire Captain, 1 HR Assistant, 1 Police Support Services Manager, 2 Police Officers, 1 Equipment Maintenance Worker II, 3 Maintenance Workers II, 2 Maintenance Workers I, 2 Maintenance Worker III, and 1 Sr Public Works Lead. The defunded FTEs include 1 vacant Transportation Planner. All of the additional positions are core to the City's mission and vital to

upholding standards as the demand for City's services intensifies with growing population and development. It should be noted that FTEs in the Adopted Budget fall well short of the number of positions requested by the departments. As such, the resulting staffing was measured on service priority with a focus on Safety, Maintenance, Economic Development and related support services.

Beyond operations as viewed through the lens of the General Fund, we would be remiss not to highlight the substantial investment the City is making in community infrastructure and improvements as outlined in the five-year Capital Improvement Program (CIP). The adopted budget appropriates \$60.5 million in capital improvements including streets, roadways, parks, community facilities, water, sewer and storm systems, among others. Over the Five-Year plan, the CIP quantifies \$333 million in identified infrastructure improvements over a variety of categories and operations described more below. Of the \$333 million, \$68 million has no identified funding, an indication of the need to seek alternative and or additional revenue sources necessary to address long term improvements and replacements.

In summary, the FY 2017-18 operating and capital budgets were prioritized to improve City's core services and ensure their delivery in the most cost effective and beneficial manner to the community. Capital improvement projects were prioritized to those most necessary. Staff believes these priorities reflect the City Council's policy direction.

CITYWIDE BUDGET OVERVIEW

The total Adopted Budget for FY 2017-18 is \$195,189,234. This is a 16.9% increase from the FY 2016-17 Adopted Budget. Excluding the City's FY 2017-18 Capital Improvement Budget, the total operating budget is \$134,705,694, a 9.7% increase from last year. The total annual budget includes the City's Water and Sewer Utility enterprise budgets of \$41,353,355 and \$22,797,057, respectively. Water appropriations are significantly higher with the inclusion of much needed infrastructure improvements anticipated for revenue bond financing Spring 2018. It also includes the Housing Authority's budget of \$439,904.

The total annual budget for capital improvements for FY 2017-18 is \$60,483,540. It is significant to note that \$16,046,700 of this total represents water infrastructure projects. A separate Five-Year Capital Improvement Program ("CIP") budget document is produced annually that provides a detailed description of each project. The CIP document includes all projects for the budget year as well as profiling anticipated community needs over the subsequent four years. A summary of each project description and funding requirement for FY 2017-18 can be found on pages 199 through 213 of this document.

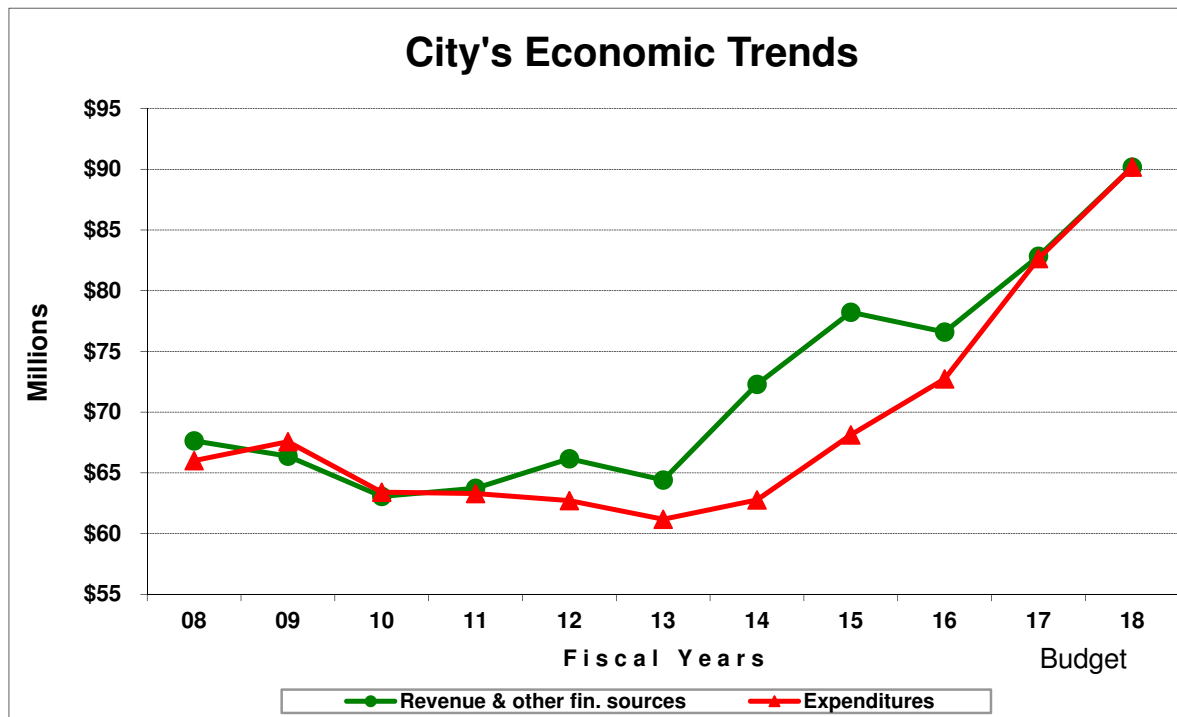
The General Fund budget is \$90,182,181, an increase of 9.1% compared to last year. Salaries and Benefits show an increase of 11% or \$7.4 million for the variety of reasons—including rising pension costs and medical premiums, labor contract factors and the additional funding of FTEs as described in the Budget Highlight section. The anticipated increase of medical insurance premium is projected conservatively at 8% in January 2018. One major cost factor, for this next year and the foreseeable future, are employer's pension California Public Employee Retirement System ("CalPERS") contribution rates. FY 2017-18 rates are 41.90% and 56.42% of payroll for the Miscellaneous Employees group and Public Safety Employees group respectively. This is an 11% and 15% increase respectively. The non-personnel budget for the General Fund in FY 2017-18 increases 1% or \$0.2 million compared to the prior year adopted budget. The modest increase is due to reducing contractual services in order to hire permanent staff (mostly in connection with fee based development activity and parks maintenance), utility charges, and staff training.

The Water utility fund budget is \$41,353,355, a decrease of \$5 million from last year, primarily due to a reduction of water system improvements for FY 2017-18. When taking capital projects out of the equation, water operations increased by \$2.0 million or 8% due to operating costs increase. The increase in operating cost is primarily due to increased water purchase costs from outside agencies.

The Sewer utility fund budget is \$22,797,057, an increase of \$6.4 million, or 39% from last year. Capital improvement project costs in this arena increased to \$11.3 million or 75% from last year. The City of Milpitas is a participating member of the San Jose-Santa Clara Regional Wastewater Facility and pays

its share of the operating and capital improvement costs to the lead agency, City of San Jose, based on Milpitas' share of the capacity right. The contribution to the Facility for its operating and capital improvement costs constitutes about 43% of the Sewer Fund budget. This treatment plant is due for major upgrades which will play heavily into the need to fund infrastructure in the coming years; possibly through the issuance of new revenue bond or similar source financing

The following chart provides the historical operating performance trend of the General Fund revenues and expenditures from FY 2006-07 through budget projections for FY 2016-17 and FY 2017-18.



Economic Trends, Development and Profile

Milpitas is situated within the Silicon Valley region, known throughout the world as the home of high technology, innovation and research. Milpitas, considered the “Crossroads of Silicon Valley,” with most of its 13.6 square miles of land situated between two major freeways, I-680 and I-880, has experienced tremendous growth since its incorporation in 1954. Over the past 40 years, the population growth has increased from 26,561 in 1970 to over 70,000. The Bay Area experienced significant employment growth from 1992 through 2000, adding more than 170,000 jobs. However, in 2001, Santa Clara County experienced its first negative job growth since 1992. Between 2001 and 2004, over 130,000 jobs were lost as a result of the dot-com bust. Between 2005 and 2007, local economy began to recover slowly until 2008 when the economy went into global recession due to subprime mortgages, plummeting home sales, and meltdown of the financial market. This region was severely impacted due to concentration of the high-tech industry, heavy reliance on exports, decline of home prices, and reduced consumer spending. Milpitas was similarly impacted because of its location and comparable economic mix. Post-recession economic recovery in the last few years was moderate at best. However, in the last twelve months, the labor markets have improved such that this region has added more jobs than many other parts of California. Employment is nearing its pre-recession peak in the Silicon Valley. We are cautiously managing this economic road to recovery while cognizant of the need to remain in a state of fiscal readiness.

Growth in the South Bay housing market has also been an important contributor to the strength of the local economy. The lack of available homes continue to push home prices upward. The Median home price in Milpitas is \$852,000 as of April 2017, which along with certain parts of the Bay Area are outperforming the state and nation. Beyond the residential equation. Much is happening in Milpitas from

a perspective of private investment. The following section entitled “Major Development Activities in the City” will discuss some of the development activities that are occurring in Milpitas.

There are approximately 1,448 acres or 2.6 square miles of land area in the City limits designated for various industrial uses; about 113 acres are vacant and available in parcels ranging in size from 3 acres to 35 acres. Included in this acreage total are nine industrial districts and approximately 100 manufacturing plants. An estimated 410 acres of land are dedicated to regional and community retail centers supporting 3.5 million square feet of commercial shops. The Great Mall of the Bay Area is the largest enclosed mall in Northern California, with approximately 1.1 million square feet of leasable space for retail and entertainment operations. Several local shopping centers serve regional needs for Asian-oriented retail and services.

The leading economic segments in sales tax are apparel stores, restaurants, office equipment, electronic equipment, and auto sales. Top sales producing entities include manufacturing employers such as Cisco Systems, Inc., KLA-Tencor Corporation, Linear Technology, and Flex. Other key retailers include South Bay Honda, Piercey Toyota/Scion, Marshall Stores, Safeway, Home Depot, Wal-Mart and Best Buy. Some of the most innovative companies, including View Glass and KLA-Tencor, make Milpitas their corporate headquarters. The two largest non-manufacturing employers in Milpitas are The Great Mall of the Bay Area and the Milpitas Unified School District.

Major Development Activities in the City

Midtown Specific Plan – The vision for this area includes smart growth, high density mixed-use housing and retail within walking distance to light rail and BART to support the public investment in mass transit, transforming neighborhoods into an attractive and economically vital district with plazas and network of pedestrian and bicycle trails, a vibrant streetscape along the north end of Main Street and a mixture of housing, shopping, employment, entertainment, and cultural and recreational opportunities. The implementation efforts began with several capital improvement projects such as the new Library, parking garage, Main Street and Abel Street infrastructure improvements. Other development activities undertaken by outside agencies include a County Health Center, a parking garage, and a 103-unit senior housing apartment building. Major residential development realized in recent years include the Centria West project which introduced 366 condominium dwelling units. Other developments completed include 200 apartment units developed by Shea Homes. In the near term we also expect the introduction of an assisted living complex approximating 200 units in the first phases. The Planning department will be updating this specific plan in the next 12 to 24 months.

Transit Area Specific Plan – The City adopted a Transit Area Specific Plan in June 2008, and updated it in 2011, which provides for medium to high density development surrounding the future Montague/Capitol BART station and two VTA Light Rail Stations. The intent of the Plan is to foster economic development of the area, strengthen and expand retail uses to increase sales tax revenues, attract major retailers and provide housing and amenities such as parks, retail and restaurants. Currently, there are over 3,800 housing units in the Transit Area that are under various stages of development.

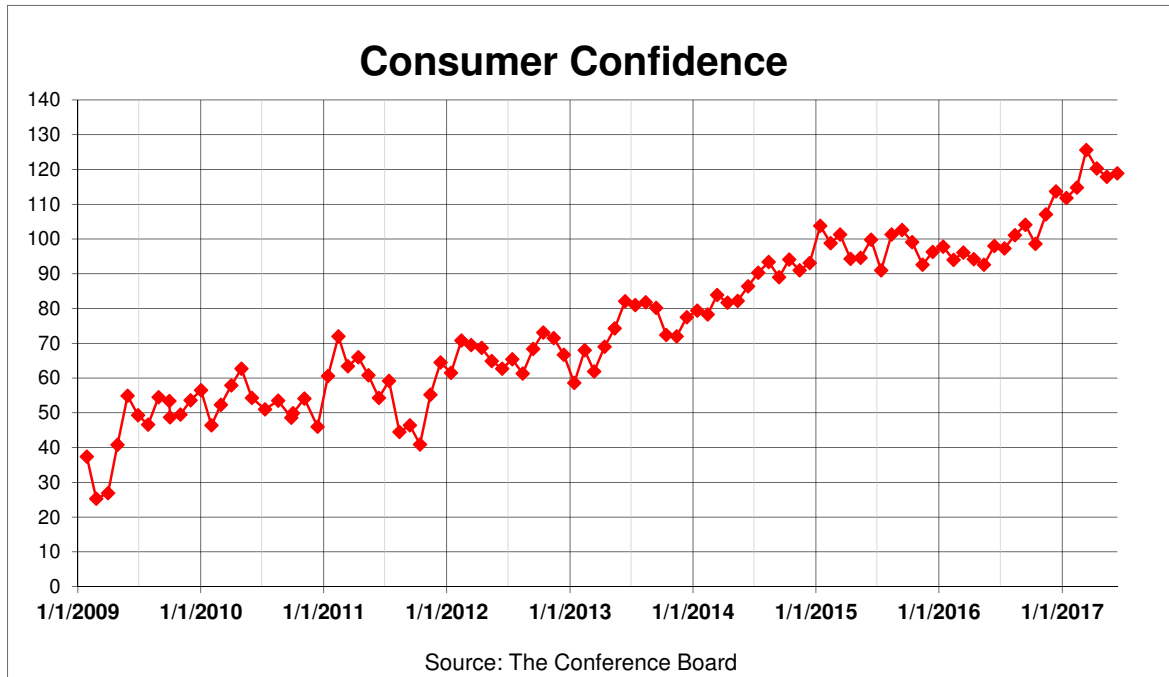
Residential Development – An improving economy and high median home prices led to a heightened interest in residential developments. Outside of the Midtown and Transit Area, there are several residential developments that are either under construction or completed and occupied. These projects include Cobblestone (27 Single Family Detached and 5 live/work units), Prynt (20 townhomes and 5 live/work units) and Waterstone (84 single family detached units). An adopted policy of City Council no longer allows for rezoning of commercial and industrial lots to residential outside of the two specific plan areas.

Non-residential Development – FY 2016-17 was also a busy year for commercial development and expansion. Flextronics, Cisco, KLA Tencor, Micron Technology, Inc., and SGI invested millions in tenant improvements of their buildings. Property owners of the former LifeScan campus and Tasman Tech Park invested in revamping their buildings and outdoor spaces in order to attract new tenants. Micron, a local company, has expanded at the Tasman Tech Park. As for hotel projects and

developments, Holiday Inn, Springhill, Sprig Center @ McCarthy Ranch, and California Lottery Administrative offices is under construction.

Consumer Confidence Level Trends

The latest consumer confidence survey report showed that the U.S. consumer sentiment in March 2017 reached an all-time high of 125.6 since the high of 103.8 in January 2015. Consumer confidence is an indicator designed to measure the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Since consumer spending accounts for about two-thirds of the U.S. Gross Domestic Product, the index is a good indicator that when consumers' confidence is high, consumers would likely make more purchases, thus further boosting the economy.

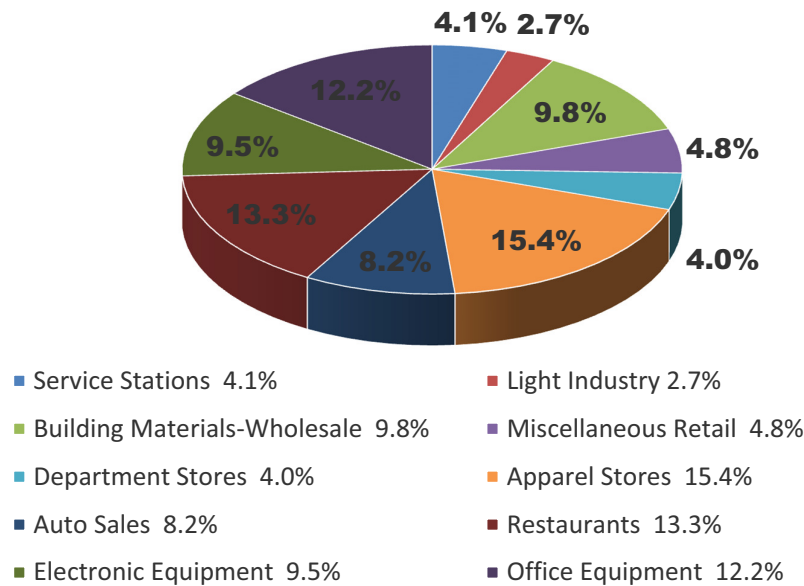


Top Ten Sales Tax Generators by Economic Segment

The chart below provides a snapshot of the City's sales tax revenue by economic segment in the last four quarters. Total amount of sales tax revenue for the latest benchmark year was about \$21.27 million, with the top ten economic segments generating about \$17.85 million. The sales tax revenue generated from economic segments such as restaurants, office equipment, auto sales, and electronic equipment increased over a year ago while the, apparel stores, miscellaneous retail and light industry segments decreased.

City Sales Tax Revenues

Top 10 Economic Segments (\$17.85 million)



Source: MuniServices 4th QTR 2017

PERS Stabilization Reserve Enhancements in the Next Five Years

Many cities face the challenge of covering increasing pension costs and managing ensuing unfunded liabilities. Milpitas is not spared from this fiscal difficulty. The advent of new accounting standards reveals the magnitude of liabilities all cities face. Furthermore, recent pension assumption changes accelerate funding requirements in the near term. These costs exist as monetary threats that oblige us to maintain a posture of fiscal diligence.

The General Fund currently has a \$8.4 million PERS Rate Pension Stabilization reserve, a prudent policy to handle contingencies in any given year. Rising pension rates are a certainty in the five-year term. This strategy mitigates near term pension costs and helps the City stay on course in light of these cost pressures. In the future, the City will analyze the benefits of either paying down its unfunded liability with PERS or establishing a Section 115 PERS Stabilization Trust.

REVENUES AND OTHER FINANCING SOURCES

Revenue detail is shown in the Financial Information section of the budget. A summary of revenues and other financing sources including transfers between funds is shown below to compare the FY 2016-17 Adopted Budget and the FY 2017-18 Adopted Budget.

Revenue Estimates for Fiscal Year 2017-18

Compared to the FY 2016-17 budget, FY 2017-18 revenue and other financing sources (including the use of fund balances) are estimated to increase by \$28.2 million. This is mainly due to overall increased general fund revenues, utilities service fees, and funding for capital improvement projects. The Water Fund plays a significant role this year in the overall revenue change given the expectation of incoming bond financing proceeds to fund related capital improvements.

In FY 2017-18, General Fund revenue and other financing sources are projected to be \$90.2 million, approximately \$7.6 million more than last year's budget of \$82.6 million. Increases revolve around the City's major revenue sources as mentioned above and the projection assumption factors of the major revenue sources discussed below.

General Fund Revenue Estimates

Below is a comparison between the FY 2016-17 adopted budget, FY 2016-17 revised budget, and FY 2017-18 adopted budget.

General Fund Revenue	Adopted Budget FY 16-17	Revised Budget FY 16-17	Adopted Budget FY 17-18	Adopted Chg	Revised Chg
				% change FY17-18 to FY16-17	% change FY17-18 to FY16-17
Property Tax	21,706	21,706	23,750	9.42%	9.42%
RPTTF distributions	5,010	5,010	5,100	1.80%	1.80%
Sale & Use Tax	22,019	22,019	25,520	15.90%	15.90%
Hotel/Motel Tax	8,731	8,731	8,962	2.65%	2.65%
Other Taxes	4,610	4,610	5,036	9.24%	9.24%
Permit & Inspection	6,869	6,869	8,389	22.13%	22.13%
Fines & Forfeitures	431	431	386	-10.44%	-10.44%
Interest Income	302	302	324	7.28%	7.28%
Intergovernmental	1,046	1,007	948	-9.37%	-5.86%
Charges for Services	6,883	6,683	6,499	-5.58%	-2.75%
Other Revenue	120	120	141	17.50%	17.50%
Operating Transfers	4,921	5,115	5,127	4.19%	0.23%
Total	82,648	82,603	90,182	9.12%	9.18%

FY 2017-18 General Fund revenues and other financing sources is projected to increase by 8.8% (compared to 7.9% last year) or \$7.2 million more than the FY 2016-17 adopted budget revenue. When compared to the FY 2016-17 revised revenue projection, it is estimated to increase 8.8% or \$7.3 million. Some of the changes include the following:

Sales tax revenues for FY 2017-18 are revised to be 15.9% above budget and 2.6% below current year estimates. In addition to some gains from continued economic growth in the region and City there were some one-time adjustments found by the sales tax consultant. The projection is conservative and is consistent with the projection of the City's sales tax consultant.

Property tax revenues are estimated to increase by 9.42% in FY 2017-18 above the current adopted budget and current year projections. The increase is partially attributed to normal inflationary factors (capped by Proposition 13 at the lower of 2% or California Consumer Price Index), property turnover, and to new residential units adding to overall assessed valuations of secured properties. The projection is founded on the assessed valuation information provided by the County of Santa Clara Assessor's office. In addition, pursuant to ABx1 26 that legislates the dissolution of the RDA, all remaining RDA property tax revenue, after satisfying the approved obligations of the RDA, will be distributed to the taxing entities within the RDA project area. As one of the taxing agencies, the City will receive its estimated share of approximately \$5.1 million in FY 2017-18. In FY 2016-17, the revised estimate on residual distributions equaled \$5.0 million.

Hotel/motel Transient Occupancy Tax revenue will continue with a modest increase. This revenue source is projected to increase \$231,000 or 2.7% from the FY 2016-17 budget but is projected to decrease 6.0% or \$574,000 when compared with the FY 2016-17 actual revenue received. The hotels in the local area continue to have high occupancy rates, and it is anticipated that these positive trends will continue in FY 2017-18. The five-year forecast anticipates several hotels coming on-line within the next five years.

Charges for services is anticipated to decrease by 9.2% from the FY 2016-17 budget and decrease 7.6% from the FY 2016-17 revenue received. This represents dollar increases of \$1.12 million and \$1.18 million respectively. Charges for services comprised of various services provided by the City such as police services charged to the Great Mall pursuant to an agreement, recreation services, rental income for City facilities, and private development services charged by Engineering and Planning staff. This particular budget year, development activity is expected to increase materially in line with the addition of both staffing and contract-based resources activated as a result of higher demand. Planning, Building and Safety related service charges make up the bulk of these increases and point directly to several key developments, highlighted below, and to the rapid pace of growth in the City.

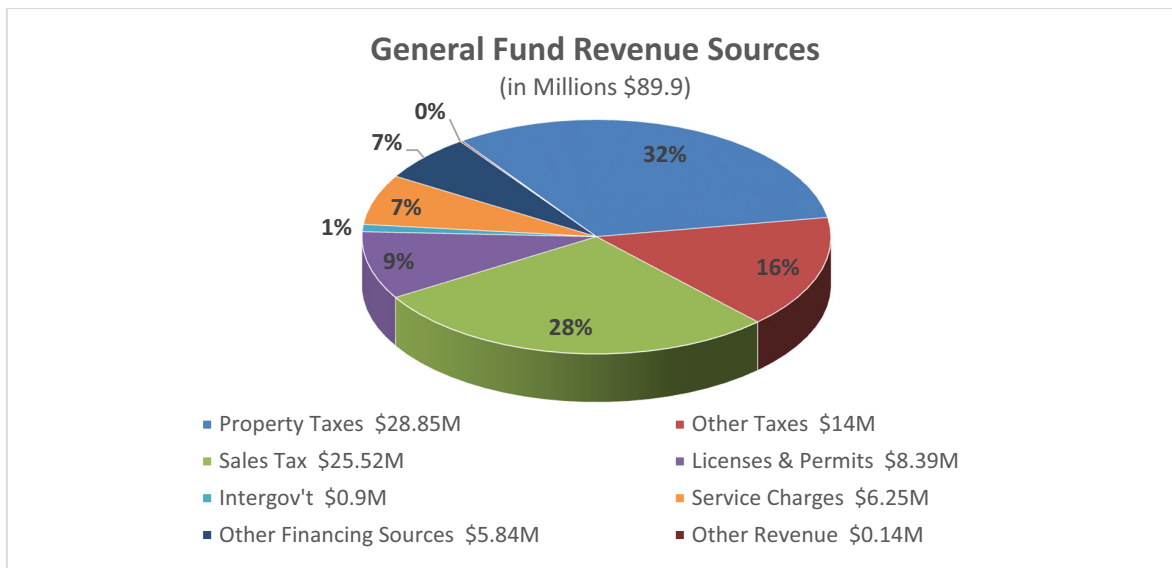
Permit and Inspection revenue received for FY 2016-17 is about \$3.0 million more than budget with the continued intensified development activities in and around the Transit Area. In FY 2017-18, building permit and inspection revenues are projected to be \$8.4 million, a decrease of 15% or \$1.5 million over the FY 2016-17 revenue received. The projection is based on the number of recent applications submitted and the potential commencement dates of the construction. Other more routine building permit and inspection revenues from home improvement and commercial tenant improvement are included in the projection.

Operating transfers are internal transfers between funds primarily to recognize shared, and supporting, operating costs and capital budget contributions between funds. Compared to the FY 2016-17 Adopted Budget, net operating transfers in FY 2017-18 are projected to increase by \$206,000 including an annual operating transfer of \$300,000 from the General Fund to the Technology Replacement Fund. In addition to receiving operating cost reimbursements from the Water and Sewer Utility Funds, the General Fund will receive \$900,000 from the Community Facilities District 2008-1 Fund ("CFD 2008-1") to help offset the costs of increased police officers. These CFD reimbursements increased by \$185,000 in line with costs for increased safety, maintenance, landscaping and general service demands that result from the burgeoning growth in this development zone.

Cost Allocation A cost allocation worksheet is utilized to allocate indirect costs that are typically budgeted in the General Fund to various programs and funds in order to determine the full cost of providing City services. In 2014, the City compiled an updated Cost Allocation Plan (CAP) to calculate the percentage of costs that should be allocated to each major program and major operating fund. The CAP also provides the basis for City fee updates and charges for each fiscal year. The factors included in this plan were applied to the FY 2017-18 adopted budget.

Each City service program receives support from the administrative staff and benefits from centralized services such as building occupancy and equipment maintenance. These indirect costs, in addition to any one programs direct costs (salaries/benefits/supplies/contracts) are allocated to all service programs to derive the fully-burdened cost of providing City services. These indirect costs are also assigned to other operating funds such as Water and Sewer utility funds, based on the level of support these operations receive. These cost allocations are necessary to ensure proper cost accounting so that all operating funds share administrative and overhead costs equitably. A summary internal cost allocations by function for FY 2017-18 can be found on pages 99 to 100.

The chart below provides an overview of the City's General Fund revenue sources including operating transfers from other funds:



Utility Rates

The City completed a new utility water rate study with new rates and a new rate structure going into effect in FY 2015-16. The new rates take into consideration advancing long overdue capital improvement projects, the cost of operations, the impact of the California drought and the projected cost of water. The adopted water rate plan contemplates annual rate increases that are based on a number of factors including the current mix of customers, a fixed-fee/variable consumption model, new cost factors, and future projections of demand & supply.

Due to the City changing to a uniform water rate structure from a tiered rate structure, the residents voiced concerns and the City Council created a citizen task force to evaluate the rates. During this time period the City has not passed a water rate increase. The cost of water operations includes the proposed rate increases of 9% from Santa Clara Valley Water District (SCVWD), one of the City's two main water suppliers. Furthermore, the City's CIP has scheduled out nearly \$97 million (much of which is dependent on external grants and financing) in significant and vital capital improvement projects designed to maintain, fortify, diversify, and enhance the City's water system capabilities. These capital projects include \$9.8 million of potential costs to finance water supply augmentation. In total, the City's CIP includes \$16 million of funding in FY 2017-18 and over \$97 million over the course of the next five years.

The recently completed San Jose-Santa Clara Regional Wastewater Facility Master Plan recommends more than 114 capital improvement projects to be implemented over the next 30 years at an estimated cost of \$2.2 billion. The City of Milpitas is responsible for approximately 8% of the capital improvement cost. The City is also responsible for improvements on the City's core system as well. There has not been a sewer rate increase since November 2015.

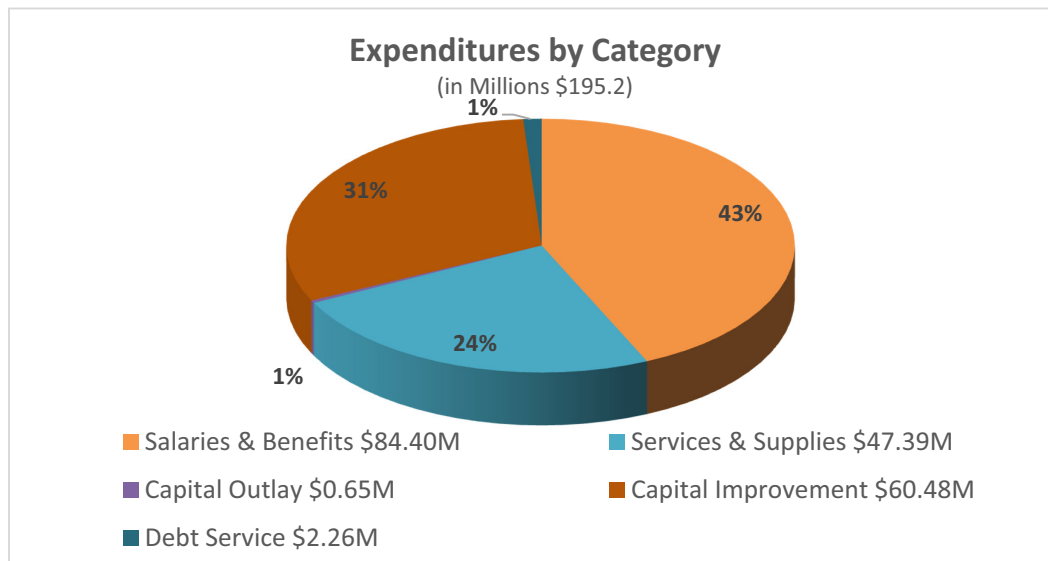
In the adopted FY 2017-18 Budget, approximately 73% or \$17.5 million of the water fund budget and 56% or \$10.8 million of the sewer fund budget are attributed to outside agencies' costs that need to be passed through to the utility ratepayers. These costs include wholesale water cost from the SCVWD and the SFPUC which are projected to increase an average of 9%. City's Water operation cost and capital improvement project cost are approximately \$23.8 million and \$16 million respectively. The San Jose-Santa Clara Regional Wastewater Facility's operation and capital improvement project costs are passed through to the sewer utility ratepayers. City's Sewer operation cost is approximately \$10.8 million. The Sewer budget also includes a debt service cost of \$687,000.

EXPENDITURES

A budget comparison of appropriations for all funds between FY 2016-17 and FY 2017-18 is as follows:

Fund	Adopted Budget FY 16-17	Adopted Budget FY 17-18	Over (Under) Prior Year
Salaries & Benefits	\$ 74,906,999	\$ 84,398,719	\$ 9,491,720
Services & Supplies	44,630,148	47,394,149	2,764,001
Capital Outlay	956,822	650,826	(305,996)
Subtotal	\$ 120,493,969	\$ 132,443,694	\$ 11,949,725
Capital Improvement	44,213,256	60,483,540	16,270,284
Debt Service	2,259,000	2,262,000	3,000
Total Appropriation:	\$ 166,966,225	\$ 195,189,234	\$ 28,223,009

The chart below provides an overview of the City's total expenditures by category:



Total expenditures represent an overall 16% increase from FY 2016-17 mostly due to enterprise based capital projects and financing debt service. Operating expenditures, excluding capital improvement and debt service, increased by 9.9% compared to 5.9% last year. Following is a summary of the changes in operating expenditures by category:

Salaries and benefits are expected to increase by 12.6%. Compared to last fiscal year's budget, the total citywide increase is \$9.5 million. The increase reflects increased employer's contribution to CalPERS, increased health insurance premiums, agreed upon labor contracts, increased funding for temporary positions and an additional 29 FTEs. The CalPERS employer contribution percentages for the next five years are expected to increase over 20%, a significant cost factor for the City. In addition, the FY 2017-18 budget includes pre-funding of retiree medical benefits approximating \$3.7 million citywide and the General Fund's share is \$3.2 million.

The City's services will be staffed by 368.25 full time employees and 81.5 FTE of temporary/ seasonal

employees. The funded full time employee count increased by 29 positions, 3.5 of which were funded during FY 2016-17 and 25.5 received funding in the FY 2017-18 adopted budget. These positions are funded by both general and enterprise funds in the continuing effort to restore staffing to those levels necessary to serve our community. This growth has much to do with staying in line with this developing and dynamic City. The historical number of authorized positions and funded positions can be found on pages 59 and 60 of this document. The detail for each department's funded positions can be found in their respective sections on pages 105 through 195.

Services and supplies are expected to increase by \$2.8 million or 6.1% citywide. The services and supplies budget include services that are provided by outside parties. The increase is due to several factors including: increases in outside agencies' costs such as wholesale water purchase; the City's share of the San Jose-Santa Clara Regional Wastewater Facility's operating cost; development consulting services, and utility costs.

Capital Outlay includes new and scheduled vehicle and equipment replacements. Total capital outlay request for FY 2017-18 is \$0.7 million which includes the funding of four police vehicles and one building inspection vehicle. All the vehicles and equipment to be replaced are fully depreciated and will be primarily funded by the Equipment Replacement Fund. Other capital outlay includes replacement of technology equipment and water meters.

Debt Service for FY 2017-18 equals \$2,262,000, of which \$687,000 is for the only outstanding bond of the City, the 2006 Certificates of Participation ("COPS") and \$75,000 is for the repayment of an inter-fund loan. The remaining \$1.5 million anticipates the issuance of a Water revenue bond financing in Spring 2018 to fund water systems infrastructure as laid out in both the recent water rate study and the five year CIP. The RDA debt is administered by the Successor Agency which is overseen by an outside Oversight Board. Consequently, the RDA debt service is no longer part of the City's budget.

The City's legal bonded debt limit, as established by the California Government Code, is approximately \$600 million. The 2006 Certificates of Participation ("COPS") has an outstanding balance of \$5,605,000 and the 2015 Tax Allocation Refunding Bonds has an outstanding balance of \$114,370,000. None of these bonded debts is subject to the legal debt limit although the payment of the 2015 Tax Allocation Refunding Bonds is no longer part of the City's budget. The interest rates on the outstanding COPS range from 3.7% to 4.2% and the final payments will occur in fiscal year 2027.

The City's debt policy includes a comprehensive, thorough review and analysis of the City's long-term capital project needs. Once project needs are established and prioritized, funding options are reviewed. Depending on the funding requirements and available reserves, either existing reserves are used or tax-exempt securities are issued. The City will utilize debt financing for capital improvement only when the useful life of the improvement is expected to exceed the period of debt service payments.

Pursuant to its debt covenant, the 2006 COPs are required to maintain annual net revenue sufficient to provide debt service coverage of 115%. The actual debt service coverage based on the FY 15-16 audited results was at 1275%.

The following table shows the annual debt service requirements for the outstanding Certificates of Participation:

Sewer Fund			
Year Ending, June 30	Total Principal		Total Interest
2018	\$	470,000	\$ 216,055
2019		485,000	198,031
2020		505,000	179,028
2021		525,000	159,006
2022		545,000	137,869
2023-2026		2,410,000	316,807
2026-2027		665,000	13,965
Total	\$	5,605,000	\$ 1,220,761

CAPITAL IMPROVEMENTS

The Capital Improvement Budget funding for FY 2017-18 by Project Category is as follows:

Project Category	Adopted Budget	Percentage of Total
Community Improvements	8,760,000	14.69%
Park Improvements	11,375,000	19.07%
Street Improvements	11,481,840	19.25%
Water improvements	15,196,700	25.48%
Sewer Improvements	11,305,000	18.96%
Storm Drain Improvements	1,515,000	2.54%
Total	\$ 59,633,540	100.00%

The City includes the cost of all acquisition, construction, expansion or rehabilitation of the City's physical plant and facilities in the Capital Improvement Budget. Typically, a capital improvement project exceeds \$5,000 and may take more than one year to construct. The cost of the capital project is capitalized as capital assets of the City upon completion. The total FY 2017-18 Capital Improvement Program funding is \$38.9 million more than the FY 2016-17 CIP, primarily due to \$15.2 million of funding for major water improvements including an aging water system/seismic Improvements, well upgrade and recycled water pipe line plan. Other key projects include, among others – Recycle water on city site conversions – PD communications and fire apparatus replacement plan – McCandless Park – Sports Center Skate Park – San Jose/Santa Clara Regional Waste Water Facility.

The City is pleased to report the completion of some major improvements this past year, not the least of which is keeping pace with road resurfacing, the major renovation of the City Sports fields and the Calaveras Road Emergency Repair.

The funding for FY 2017-18 capital improvement projects is primarily from the fund balances of various funds such as park fund, General Government Capital Project Fund, 2% Transient Occupancy Tax Fund, and utility funds. Approximately 18% of the funding comes from outside sources such special assessments, developer fees, gas tax revenue, and Transit Area impact fee.

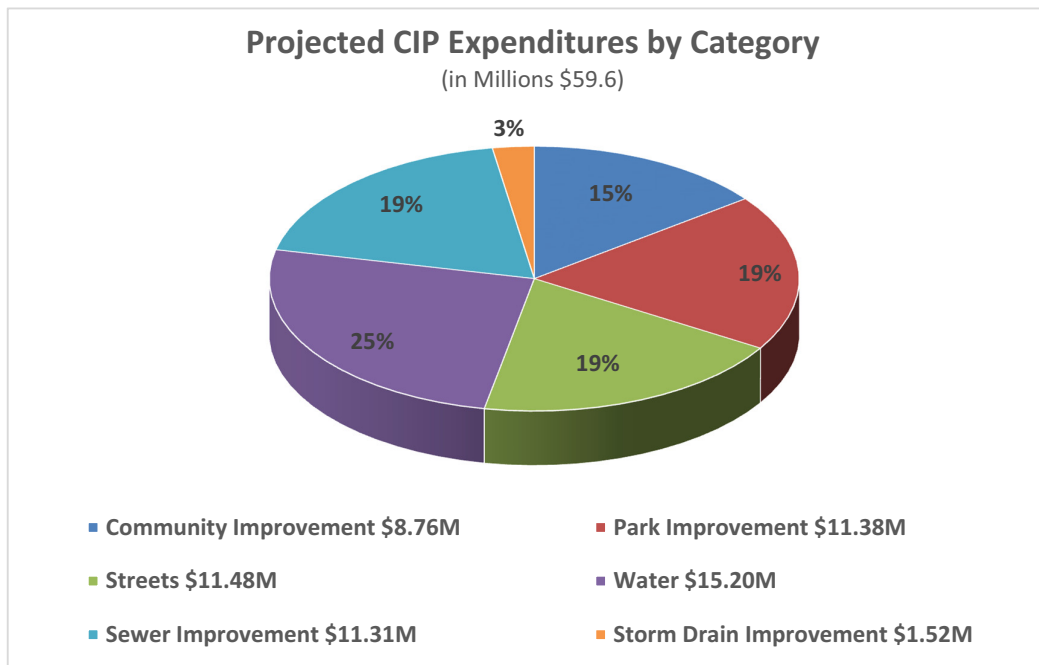
The Capital Improvement Budget has been reviewed by the Planning Commission to determine its conformance with the City's General Plan. Park improvement projects for FY 2017-18 were also reviewed by the Parks, Recreation and Cultural Resources Commission.

Although cost saving is one of the considerations in implementing the capital improvement program, many projects are prioritized for reasons such as health and safety for the public, replacement of deteriorated capital assets or systems, or enhancement of economic development and quality of life for the citizens. There will not be significant cost savings from replacement of aging infrastructure or parks.

Conversely, these projects will also not incur additional operating costs upon completion.

Since the City's budget is an annual budget, the Proposed Budget only incorporates funding for the FY 2017-18 capital improvement projects. However, in reviewing the City's capital improvement needs, staff also prioritizes and anticipates the longer term funding needs in the next four years.

The chart below provides an overview of the City's anticipated capital improvement projects by category in fiscal years 2018-2028:



The Capital Budget Section of this document provides a brief description of the projects to be funded in FY 2017-18. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2017-2022 prepared by the Engineering Department may be obtained at 455 E. Calaveras Blvd, Milpitas, CA 95035 or the City's website.

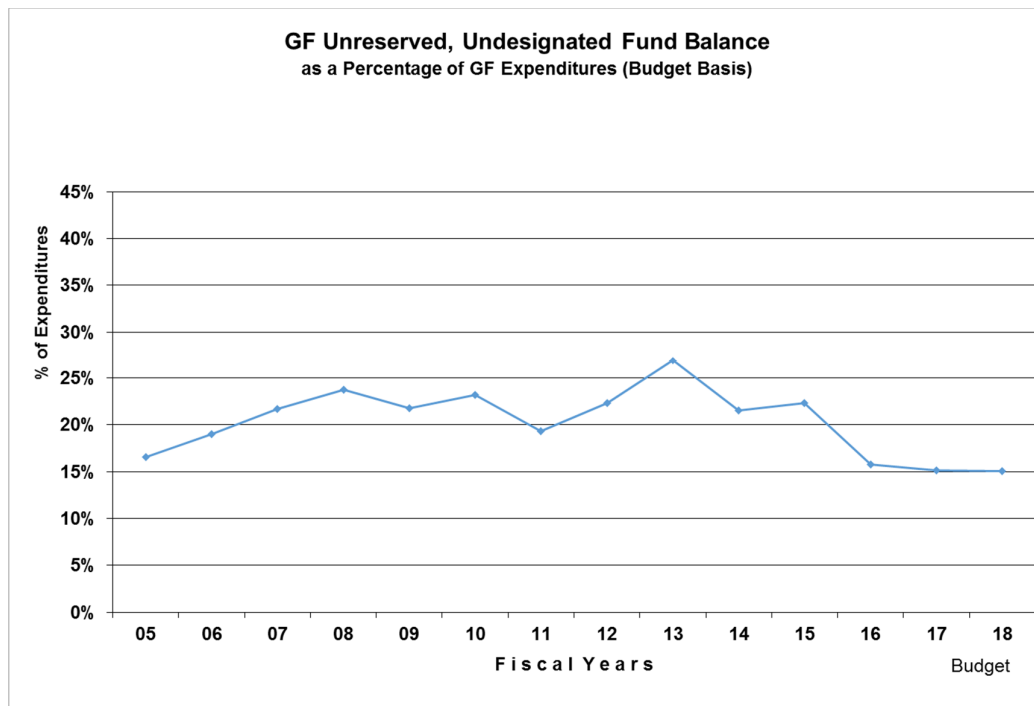
FUND BALANCES

An important resource for a City is the fund balance or reserve that is available for future appropriations and unexpected emergencies. A summary of the revenue, expenditures, transfers, and fund balances is shown in the Financial Information section of the Budget. The Water Fund is anticipated to cover its resource needs for capital improvement projects through generated fees and anticipated financing proceeds. The Sewer Fund also covers its current year capital needs through generated fees. The Capital Project Fund Balance is expected to increase slightly, by \$1.9 million, in anticipated developer fees. There are no significant changes to the fund balances of the General Fund and other funds.

The projected percentage of the estimated unassigned fund balance for the General Fund is 15.1% which meets the Council's policy of maintaining a minimum unassigned fund balance at 15% of the General Fund budget appropriations. The chart below provides a historical perspective of the City's General Fund unassigned fund balance as a percentage of General Fund expenditures:

The fund balances are further divided into subcategories to indicate the portion that is non-spendable, restricted, committed, assigned and unassigned based on a hierarchy of constraint. Non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance classification includes amounts that are restricted, because they are externally imposed by creditors, grantors, or laws or regulations of other governments. Committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by the City

Council. Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Unassigned fund balance represents amount that has not been restricted, committed, or assigned to specific purposes within the General Fund.



ACKNOWLEDGEMENTS

We want to thank the Mayor and City Council for their guidance and integrity in directing the financial affairs of the City in a most responsible and progressive manner. We also extend our appreciation to the Finance Department staff who worked on the budget, along with all the Division/Department Heads and the Budget Liaisons for their hard work, assistance, and cooperation in preparing this Budget. Special recognition is given to Jane Corpus, Assistant Director of Financial Services, who acted as Department Director and managed most of the budget process during a period of managerial transition and staffing shortages.

The overall budget envisions an operating program that carefully considers the general economic climate in conjunction with the many progressive projects and programs the City will be providing to the citizens of Milpitas. The Budget establishes the projected resources to pay for all approved appropriations. The City Council has guided the City of Milpitas to a very stable financial position that enables the City to undertake new capital improvement projects while maintaining its high level of core services for all Milpitas citizens, even during difficult economic situations. The City Council's approval of the FY 2017-18 Budget continues its commitment to excellence in citizen services and prudent financial management.

Respectfully submitted,

Steven Pangelinan
Interim City Manager

The Five-year General Fund Forecast is included to allow the City Council and the community to assess the sustainability of City services in the long term. The projection also identifies the type of commitments and resource demands in the next five years and points out areas of both opportunity and risk as we navigate fiscal cycles. These long term forecasts provide an invaluable planning tool and are an indication of sound fiscal planning and strategy.

General Fund Five Year Forecast (Thousands)

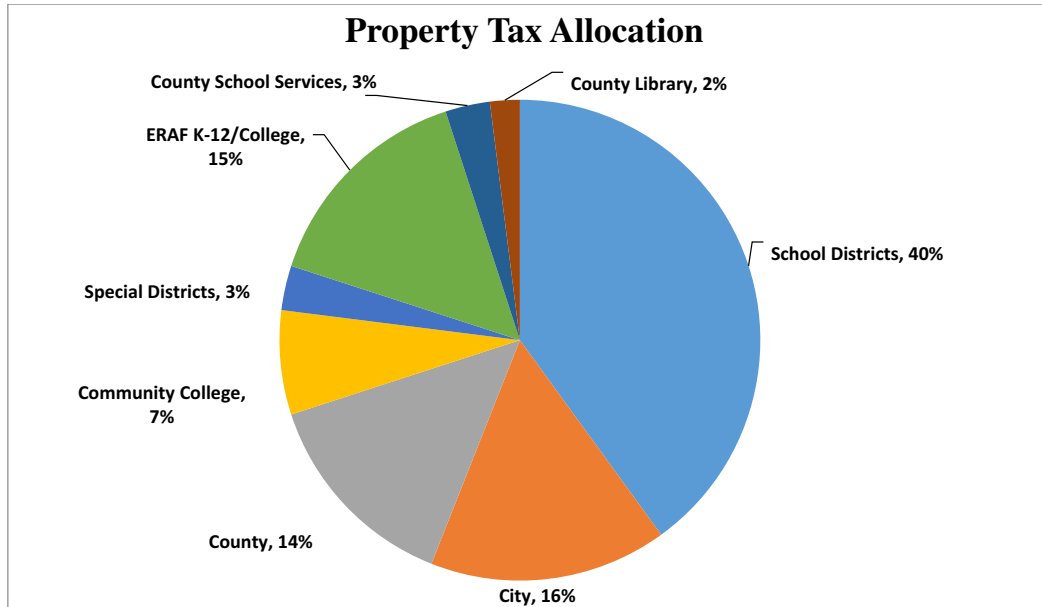
	Year 1	Year 2	Year 3	Year 4	Year 5	
	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Estimated Expenditures						
Property Tax	23,750	24,638	25,377	26,266	27,172	28,110
RPTTF distribution	5,100	5,294	5,453	5,644	5,842	6,046
Sales & Use Tax	25,520	26,045	26,581	27,129	27,688	28,259
Other Taxes	5,036	5,193	5,326	5,466	5,610	5,752
Hotel/Motel Tax	8,962	9,412	9,808	10,258	10,566	10,881
License & Permits	8,389	8,687	8,989	9,171	9,353	9,562
Charges for Services	6,439	6,653	6,782	6,982	7,152	7,343
Other Revenues	1,799	1,814	1,825	1,836	1,847	1,859
Operating Transfers	5,100	5,690	7,039	7,378	7,696	7,932
Total Revenue Sources	90,095	93,426	97,180	100,130	102,926	105,744
Estimated Expenditures						
Salaries	42,864	44,167	46,311	47,964	49,597	51,341
Benefits	27,925	29,764	33,208	36,689	39,692	41,298
Supplies & Contractual Services	17,719	18,174	18,463	19,013	19,616	19,922
Total Estimated Expenditures	88,508	92,105	97,982	103,666	108,905	112,561
Net Sources over Expenditures	1,588	1,321	(802)	(3,536)	(5,979)	(6,817)

Property tax revenues are expected to increase 8.0% in FY 17-18 based on County assessed valuations. Future assumptions follow and average 5 year growth percentage of 3% using the following pattern: in FY 18-19 3.7%, in FY 19-20 3.0%, and in FY 20-21 through FY 22-23 3.5%. Proposition 13 limits the base property tax rate to 1% of the assessed value and an annual increase of the assessed value at the lesser of 2% or the California consumer price index (CCPI). Based a 10 years' average, staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will increase at a rate of 2 to 2.5% in each of the next five years and therefore the 2% limit of Proposition 13 will apply. Added assessed valuation from new housing and the reassessment of existing properties with change of ownerships factor into the forecast. To this point, staff has taken a conservative perspective on the projections.

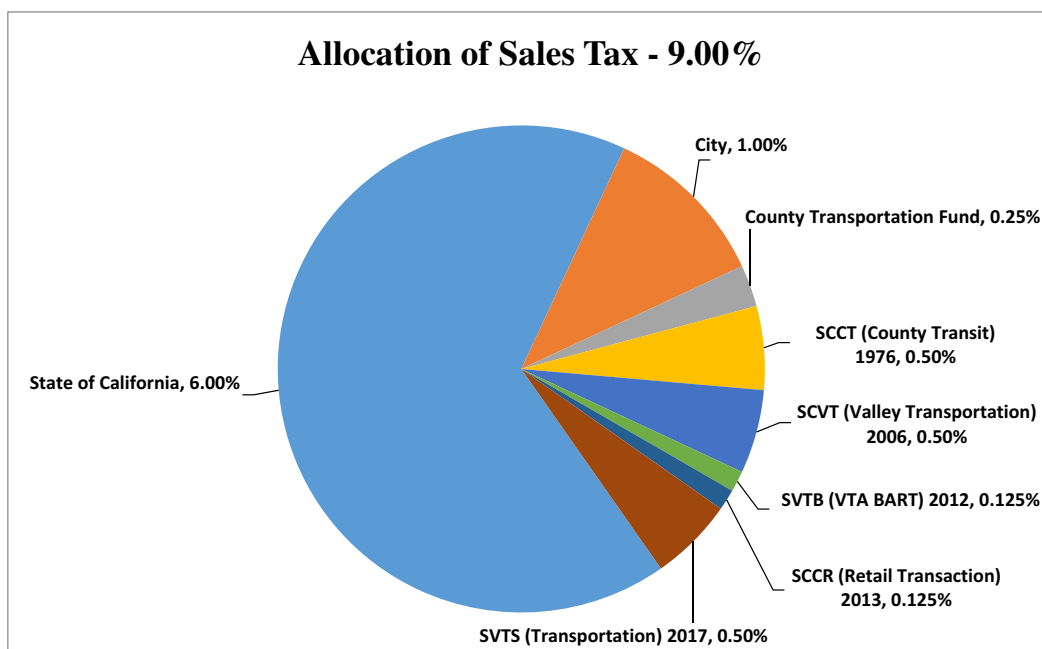
RPTTF distributions represent distributions of the residual property tax revenue attributing to the former RDA after satisfying the approved obligations of the RDA. The distributions are expected to decrease 42.6% in FY 17-18 to about \$5.3 million due to the sale of property that occurred FY 16-17 which increased the distribution in that year. The growth rate of the distributions was assisted by the refinancing of former RDA's 2003 TABS, saving the City approximately \$256,000 annually. In addition, the assessed valuation in the former RDA area will increase significantly in FY 17-18 as a majority of the 1,500 new residential units being constructed in the Transit Area is with the RDA area.

Allocation of Property Tax 1% Base Rate

The chart below shows the allocation of the property tax 1% base rate to all the taxing entities within the jurisdiction. The City's share is approximately 16% of the 1% base rate.



Sales tax revenues are projected to increase 3.7% in FY 18-19, 3.0% in FY 19-20 and 3.5% for FY 20-21 through FY 22-23. The projected increase in sales tax revenues is in line with consumer price index and historical averages. It is assumed that Milpitas businesses will capture a portion of the consumers' spending, especially in the retail, auto and restaurant economic segments. Based on the sales tax report prepared by the City's consultant, consumer sales account for over 59% of the sales tax revenues in the City. Staff estimated population will increase 1.5% in each of the next four years and the City will capture at least 70% of the consumers generated sales tax revenue. The chart below shows the allocation of sales tax rate among the taxing jurisdictions. The City's share of the sales tax rate is 1%.



Other Taxes include real estate transfer tax, franchise tax and business license tax. As residential units are being developed and occupied, it is anticipated that the City will collect more real estate transfer tax and franchise tax from utility and cable companies. It is also assumed that utility and cable companies will increase their rates to offset cost increases. The projection is a modest increase of 2.5% over the five year term.

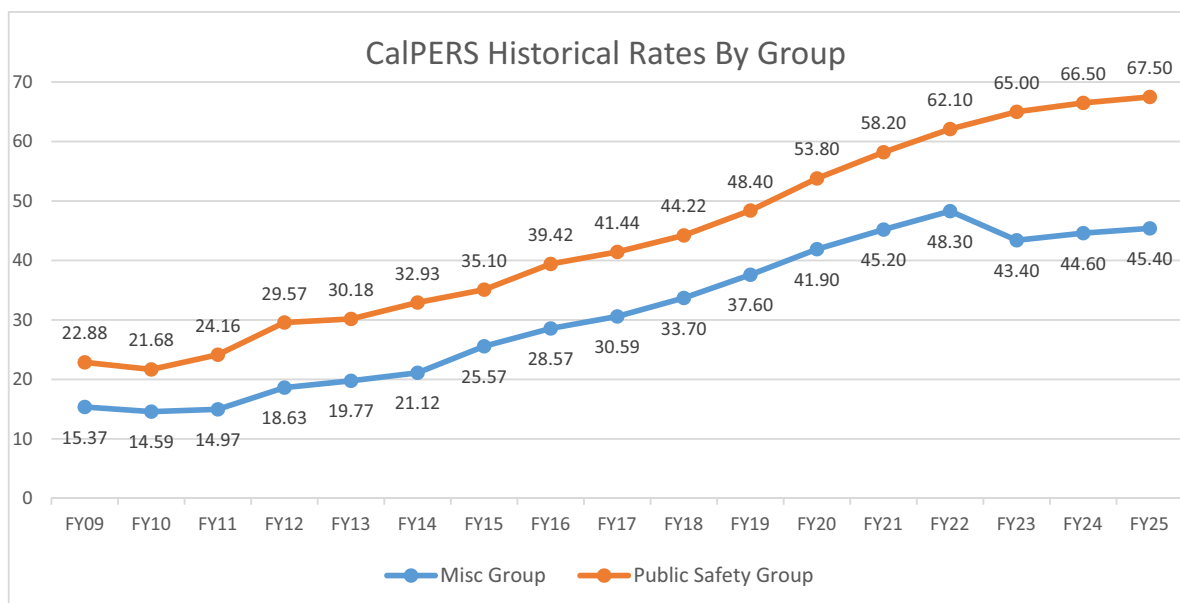
Hotel tax revenues are projected to increase in a robust fashion given recent trends and anticipated new business openings. 5.0% in the next three years through FY20-21, and 3.0% for FY 21-22 and FY 22-23. The growth rate is projected to be higher in FY 18-19 through FY 20-21 primarily attributable to three new hotels coming on line. The projection includes staff's assumption of the California consumer price index increase in the San Francisco/San Jose metropolitan area. It is assumed that the hotel operators will increase room price by the average consumer price index increase to recover costs.

Licenses and permits consist of building permits and fire permits which are primarily construction related. It is projected that these revenues will continue to increase in the next five years due to continued interest in residential developments in the Transit Area. It is estimated that Transit Area will add about 3,000 housing units in phase I of the development. Staff projected a growth rate of 2.0% to 3.5% in the next five years.

Charges for Services include charges for private development related services, engineering fees and recreation service charges. It is anticipated that the increases in charges to developers will be similar to the increases for licenses and permits. The projection for non-development related charges includes two elements, population growth and California consumer price index increase. Staff projected that some of the new residents will utilize City's recreation services. The combined projection for development related and non-development related customer service charges is a 2.0% to 3.3% increase in the next five years.

Operating transfers are mainly reimbursements from other funds for the staff support and administrative overhead provided by the General Fund. Net transfers into the General Fund will increase in conjunction with operating expenditure increases. Staff projected a 4.9% average increase over the next five years.

Salaries and benefits Salaries are anticipated to increase moderately over the next five years to FY 22-23. The increase is consistent with staff's assumption of the California consumer price index increase in the San Francisco/San Jose metropolitan area and salary step increases pursuant to contracts negotiated with employee groups. On the benefits side, health insurance premium is projected to increase from 7% to 8% annually and contribution to CalPERS is anticipated to increase 3% to 6% annually through the next five years. The total benefits costs are projected to increase by nearly 10% in FY 17-18 and gradually tapering off in future years. The chart below depicts historical employer CalPERS contribution rates from FY 06-07 through the budget year FY 17-18 and projected rates through FY 21-22. The projected rates are provided by CalPERS and are based on their latest actuarial studies.



Services and Supplies costs are anticipated to increase between 1% to 3% reflecting consumer price increase but also assuming City departments continue to hold the line on this expenditure category. There are fluctuations of cost increase between each year due to election costs that are incurred by the City that typically happen every other year.

Debt Service the General Fund does not have any outstanding debt and does not contemplate issuing any General Fund debt in the next five years.

USE OF ENHANCED PENSION RESERVES TO MITIGATE KNOWN INCREASES

The FY 2017-18 Budget strengthens and uses pension reserves to mitigate cost increases over the five-year forecast term. As discussed in the budget transmittal letter, the City is using the following strategy:

The budget anticipates using existing pension stabilization reserves as a proactive fiscal measure. The five-year forecast projects this fiscal strategy forward to mitigate near term pension costs. The chart below displays this use of pension stabilization reserves as it evolves through the next five years.

	18-19	19-20	20-21	21-22	22-23
Estimated Revenues	93,426	97,180	100,130	102,926	105,744
Estimated Expenditures	92,105	97,982	103,666	108,905	112,561
Revenue Over Exp	1,321	(802)	(3,536)	(5,979)	(6,817)
Use of PERS Reserve (\$8.4 M)	(0)	802	3,536	4,102	(0)
Net After PERS Reserve	(0)	(0)	(0)	(1,878)	(6,817)

In summary – the five year forecast presents a balanced plan. That said, it also prognosticates the need to remain cautious, diligent, be cost conscious, and to remain on a posture of readiness. The proposal to establish and utilize pension reserves is both an opportunity and challenge area that the City must manage closely with responsive flexibility as the five year plan progresses.



The Government Finance Officers' Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the City of Milpitas for its annual budget for the fiscal year beginning July 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.



Budget Guidelines

The annual operating budget is the primary short-term financial plan for the City. The operating budget shall serve as the policy document of the City Council for implementing Council goals and objectives. It is used to set forth the City's estimates of resources available to fund services that are consistent with the Council's goals. Since no plan will prove to be an absolutely accurate reflection of future events, management must have sufficient flexibility to make adjustments during the year, provided these adjustments do not materially alter the general intent of the City Council when adopting the budget. These guidelines are intended to provide that flexibility and to establish adequate controls, through budget monitoring and periodic reporting, to ensure that the overall distribution of resources achieves the results contemplated by the City Council.

Annually, the City Council establishes priorities regarding service levels to provide guidance to management in preparing the recommended budget. Through its legislative authority, the Council approves and adopts the budget by resolution.

The City Manager is responsible for proposing to the City Council a balanced budget which is consistent with the Council's service level priorities and sound business practices. A Balanced budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures. The City Manager is also responsible for establishing a system for the preparation, execution, and control of the budget which provides reasonable assurances that the intent of Council policies is met.

The Director of Financial Services is responsible for coordinating the operating budget creation process on behalf of the City Manager, synchronizing the operating budget with the annual capital plan, developing a five-year forecast, establishing budget and fiscal policy, providing periodic budget status reports to the City Manager and the City Council, and developing internal monthly budget management reports for the Department Heads to facilitate control and compliance with the budget.

The Department Heads are responsible for assisting in the development of annual budgets and monitoring their respective budgets for compliance with the intent of Council priorities to insure that appropriations of the aggregate total of the department are not exceeded.

SUMMARY OF BUDGET GUIDELINES

1. Basis of Budgeting

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis. For all proprietary funds, revenues and expenditures are budgeted on an accrual basis.

2. Budget Calendar

A budget preparation calendar will be provided to the Department Heads and to the City Council at the beginning of the budget process each year. The calendar will set forth, at a minimum, dates for the following:

- a. Review of service level priorities by the City Council at an annual Planning Session.
- b. Presentation of the City Manager's proposed budget to the City Council, which shall be no later than the second week in June.

3. Form and Content of the City Manager's Proposed Budget

The City Manager's proposed budget, the Preliminary Budget and Financial Plan, shall be presented in a form which is sufficient to allow the City Council to determine and review:

- Provision of City Council priorities as established at the annual Planning Session;
- Projected revenues by major category;
- Operating expenditures by department or program, and by fund;
- Historical Staffing by Division;
- Service levels;
- Statements of objectives and accomplishments;
- Recommendations for policy changes and impact;
- Capital improvement appropriations by project;
- Comparison with the preceding year's actual results and current year's projected results will be provided for each category of revenue and expenditure shown in the budget;
- A description of the service levels to be provided under the proposed budget will be included;
- A statement of the services reduced or eliminated and the services improved or added, as compared to the current year, will be included;
- A schedule showing General Fund Revenue and Expenditure projection for the next five years.

4. Adoption of the Budget

The City Council will adopt the budget by resolution no later than June 30th of the previous fiscal year, setting forth the amount of appropriations and authority of the City Manager to administer the adopted budget. Unless otherwise directed, all the funds that are presented in the operating budget document are subject to appropriation.

5. Budget Authority of the City Manager

The City Manager shall have the authority to amend and/or transfer appropriations among departments and projects within any one fund, provided that the amount of the amended appropriation is \$20,000 or less. No expenditures may be made from any unassigned fund balances without an appropriation by the City Council.

The City shall have the authority to make revisions involving transfers from appropriated contingency reserves accounts less than or equal to the aggregate amount of amount adopted within the budget in any one fiscal year (\$824,224 in FY 2016-17), provided that the Council is notified in writing of the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions.

Prior approval of the City Council is required for changes that:

- Increase the overall appropriation level within any one Fund.
- Transfer or reallocate appropriations between different Funds.
- Cause an increase in permanent personnel authorized/funded positions or changes in classifications for personnel from the classes or personnel count approved in the adopted Budget.
- Cause the aggregate amount of contract change orders to exceed \$100,000 and/or exceed prior approved appropriation levels for the subject contract.
- Cause transfers from appropriated contingent reserves account to exceed the aggregate amount of \$824,224 during fiscal year.
- Result in changes not consistent with the purpose and intent of the Budget as adopted.

The City Manager shall have the authority to reasonably deviate from the budgeted personnel allocation schedule provided that at no time the number of permanent, full-time employees authorized by the City Council is exceeded.

6. Budget Amendments by the City Council

The City Council may from time to time approve expenditures and identify funding sources not provided for in the adopted budget including those expenditures funded through unassigned fund balances. These will take effect through the public agenda meeting process.

7. Budget Transfers and Modification Procedures

Procedures to implement budget transfers or budget modifications are detailed in Standard Procedure No. 21-1, subject to any changes by the Budget Resolution.

8. Automatic Adjustments and Re-appropriations

Outstanding encumbrances at prior fiscal year-end will automatically be carried over to current year's budgets.

Unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budgets.

Incomplete multiple year project (capital improvement project) balances will automatically be appropriated.

Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of the fiscal year may be re-appropriated for continued use in the subsequent fiscal year. Furthermore, any outstanding contract and/or purchase order obligations (or encumbrances) remaining at the end of FY 2015-16 are subject to carry-over into FY 2016-17. These include capital project appropriation carryovers.

9. Budget Monitoring and Reporting

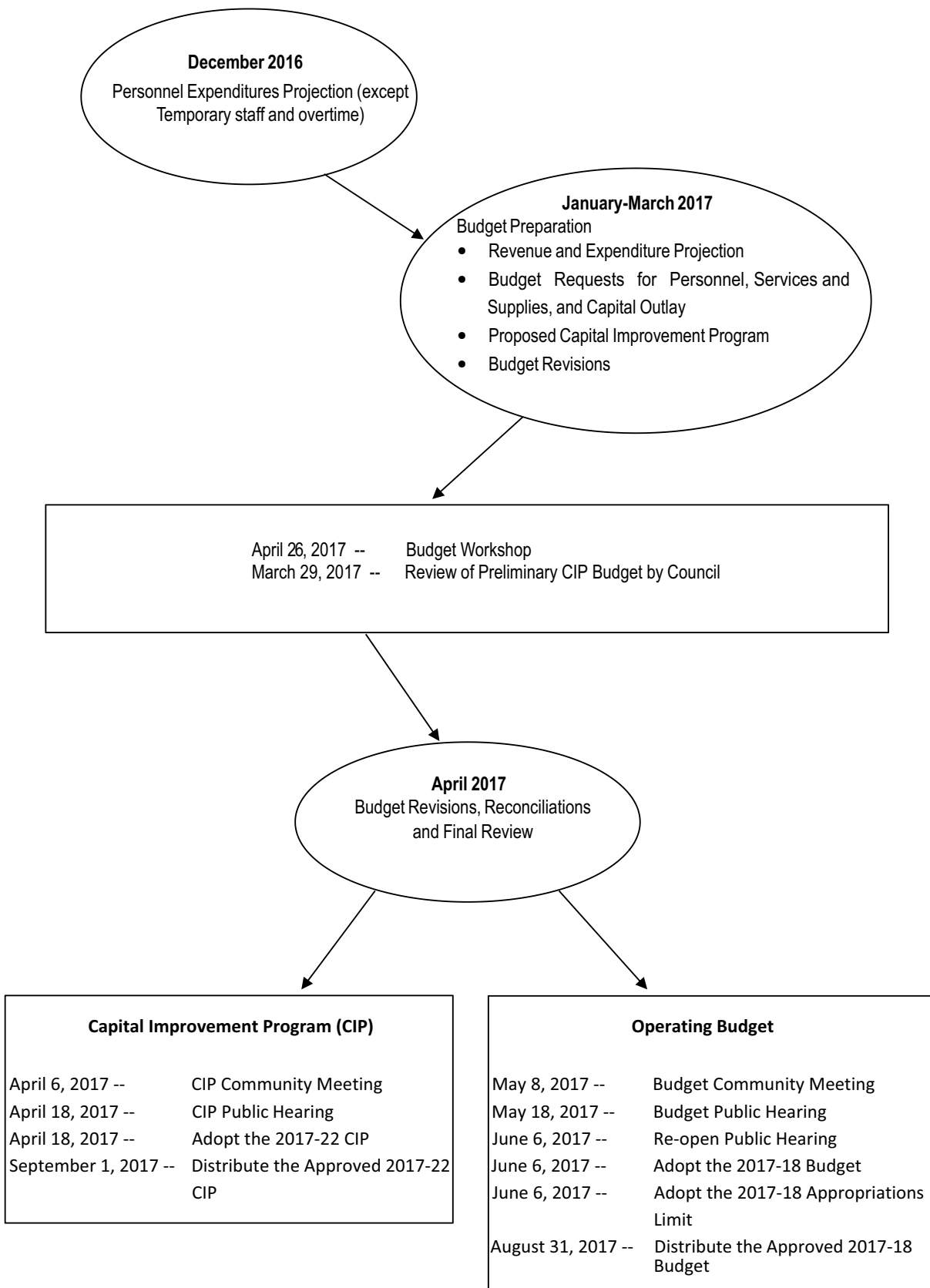
General Monthly Reports - The Director of Financial Services will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.

Quarterly Budget Reports - The Director of Financial Services will periodically prepare a budget status report for presentation to the City Council. At the minimum, the report shall include the status of the General Fund revenues and expenditures, and Water and Sewer utility fund revenues.

10. Reserves

Various unallocated reserves are desired in each of the City's funds to protect the City in emergencies, economic uncertainties, and to finance unforeseen opportunities and/or requirements. Key reserve policies for various funds are described in detail in the document entitled "City of Milpitas Fiscal Policies".

City of Milpitas 2017-2018 Budget Process



CITY OF MILPITAS

BUDGET PREPARATION TIMELINE
2017-2018 FINANCIAL PLAN

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPINSIBILITY</u>
1	11/10/16	Issue request for Capital Improvement Program (CIP) projects to Department Heads.	CIP Staff
2	11/21/16	Distribute inventory list and capital outlay request packet.	Budget Manager
3	12/06/16	Meeting with Senior Staff to discuss programs, service levels, and general financial status overview.	City Manager, Director of Financial Services, Senior Management Staff
4	12/06/16	Set FY 17-18 Budget Hearing Dates.	City Council, Director of Financial Services
5	12/12/16	New Capital Improvement Program (CIP) projects requests are due.	Senior Management Staff
6	12/12/16	2017-18 Budget Preparation "Kick-Off" meeting with Budget Liaisons.	City Manager, Director of Financial Services, Budget Manager, Budget Liaisons
7	01/06/17	<ul style="list-style-type: none"> - Equipment Inventory changes due to Finance. - Capital Outlay Requests due to Finance (Budget Manager). 	Senior Management Staff, Budget Liaison
8	01/02/17 - 01/27/17	Budget data entry in BRASS budget system and providing detail for each line item if applicable	Budget Liaison
9	01/09/17 - 01/13/17	Conduct Revenue Discussions with budget Units(Department/Divisions) and Special fund Expenditure Projections and Fund Balance	Director of Financial Services, Assistant Finance Director, Budget Manager
10	01/20/17	Requests for new positions, reclassifications and reallocation of existing positions (including Salary Allocation by Fund) due to	Budget Liaisons
11	01/27/17	<ul style="list-style-type: none"> - Data entry in the BRASS budget system is complete. - Temporary Position Request Forms (one form per function) are due to Finance. - Out of State Travel Form is due to Finance. - Summary of service enhancements or new programs or elimination of services/programs that will impact budget is due to Finance. 	Budget Liaisons

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPINSIBILITY</u>
12	02/03/17	Print and distribute Budget Proformas to Budget Units for review.	Budget Manager
13	02/01/17 - 02/03/17	Meet to discuss Capital Outlay Requests.	City Manager, Director of Financial Services, Public Works Director, Assistant Finance Director
14	02/07/17	<ul style="list-style-type: none">- All budget preparation information due to Finance: narratives, org charts, and mission statements.- Any changes to Budget Proformas are also due to Finance.	Budget Liaison
15	02/08/17	Meet to discuss new position requests.	HR Director, City Manager, Finance Director, Assistant Finance Director, Budget Manager
16	02/08/17 - 02/15/17	<ul style="list-style-type: none">- Meet to discuss closing CIP projects.- Review draft CIP document (without funding feasibility).	CIP Staff, Assistant Finance Director, CIP Accountant, Public Works Director
17	02/20/17 - 02/24/17	Review draft CIP document and consider funding feasibility	City Manager, Director of Financial Services, Public Works Director, Director of Engineering, Assistant Finance Director, Budget Manager
18	02/27/17 - 03/03/17	Budget Unit Work sessions - Review Operating Budget requests with the respective budget unit staff.	City Manager, Senior Management Staff Director of Financial Services, Assistant Finance Director, Budget Manager
19	03/06/17	Review Draft Parks projects in the CIP Budget.	PRCRC
20	03/13/17- 03/17/17	Finance Subcommittee: review requests for new and proposed CIP project.	Finance Subcommittee, City Manager, Public Works Director, Director of Financial Services
21	03/22/17	Review Draft CIP for information and General Plan conformance planning	Planning Commission, Public Work Director
22	03/24/17	Publish Draft 2017-2022 Capital Improvement Program and distribute.	CIP Staff
23	03/27/17 - 03/31/17	Budget Reconciliation: Operating Budget and CIP.	Budget Manager, CIP Staff

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPINSIBILITY</u>
24	04/06/17	CIP Community Meeting	City Council, Senior Management Staff
25	04/17/17 - 04/21/17	Final review of proposed budget.	Director of Financial, Services, Assistant Finance Director, Budget Manager
26	04/18/17	1) Public Hearing 2) Adopt the recommended 2017-2022 Capital Improvement Program	City Council, Senior Management Staff
27	04/26/17- 05/16/17	Budget Study Session	City Council, Senior Management Staff
28	05/08/17	Community Meeting for 2017-18 Operating Budget	Finance budget Team
29	05/18/17	Public hearing for 2017-18 Operating Budget	City Council, Senior Management Staff
30	05/22/17	Prepare departmental budget workbooks.	Budget Manager
31	06/06/17	- Re-open Public hearing for 2017-18 Operating Budget; - Adopt the recommended 2017-18 Proposed Operating Budget; - Adopt the 2017-18 Appropriations Limit Resolution.	City Council, Senior Management Staff
32	07/01/17	Fill out Personnel Action Forms for those employees whose split funding or job function will be different in FY 17-18 and send the forms to HR.	Budget Liaison
33	08/31/17	Distribute the Approved 2017-18 Operating Budget and Financial Plan.	Finance Budget Team
34	09/01/17	Distribute the Approved 2017-2022 Capital Improvement Program.	CIP Staff

Fiscal Policies

GENERAL FINANCIAL GOALS

1. To maintain a financially viable city that can maintain an adequate level of municipal services.
2. To maintain financial flexibility in order to be able to continually adapt to local and regional economic change.
3. To maintain and enhance the sound fiscal condition of the City.

OPERATING BUDGET POLICIES

4. The City will adopt a balanced budget by June 30th of each year.
5. An annual base operating budget will be developed by accurately and realistically projecting revenues and expenditures for the current and forthcoming fiscal year.
6. During the annual budget development process, the existing base budget will be thoroughly examined to assure cost effectiveness of the services or programs provided.
7. Annual operating budgets will include the cost of operations of new capital projects.
8. The City will avoid balancing the current budget at the expense of future budgets, unless the use of reserves is expressly authorized by the City Council.
9. The City's operating budget will be prepared on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase and capital project expenditures are budgeted on a project length basis.

REVENUE POLICIES

10. The City will try to maintain a diversified and stable revenue system to avoid over-reliance on any one revenue source.
11. Revenue estimates are to be accurate and realistic, sensitive to both local and regional economic conditions.
12. The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis as appropriate.
13. User fees will be reviewed annually for potential adjustments to recover the full cost of services provided, except when the City Council determines that a subsidy is in the public interest.
14. The City will actively pursue federal, state, and other grant opportunities when deemed appropriate. Before accepting any grant, the City will thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.
15. One-time revenues will be used for one-time expenditures only, including capital outlay and reserves.

EXPENDITURE POLICIES

16. The City will maintain levels of service, as determined by the City Council, to provide for the public well-being and safety of the residents of the community.
17. Employee benefits and salaries will be maintained at competitive levels.
18. Fixed assets will be maintained and replaced as necessary, minimizing deferred maintenance.
19. The City will develop and use technology and productivity enhancements that are cost effective in reducing or avoiding increased personnel costs.

UTILITY RATES AND FEES

20. Water and sewer utility customer rates and fees will be reviewed and adjusted annually, if necessary.

21. All utility enterprise funds will be operated in a manner similar to private enterprise. As such, the City will set fees and user charges for each utility fund at a level that fully supports the total direct and indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

CAPITAL BUDGET POLICIES

22. The City will develop an annual Five-year Capital Improvement Program (CIP) which is designed to develop and maintain infrastructure to support existing residences and businesses and future anticipated development.
23. The CIP will identify the estimated full cost of each project which includes administration, design, development and implementation, and operating costs once the projects are completed.
24. The CIP will identify potential funding sources for each proposed capital project, prior to submitting proposed projects to the City Council for approval. When appropriate, the CIP will seek other funding sources such as State and Federal funds, private funds and leverage these funding sources with public money to help meet the highest priority community needs.
25. The funding for the first year of the Five-year CIP will be legally appropriated as a component of the annual operating budget. Funding for future projects identified in the five year CIP has not been secured or legally authorized and is therefore subject to change.
26. Each CIP project will be assigned to a Project Manager whose responsibilities are to monitor all phases of the project to ensure timely completion of the project and compliance with the project budget and all regulations and laws.

DEBT POLICIES

27. The City will limit long-term debt to only those capital improvements or long-term liabilities that cannot be financed from current revenue sources.
28. The City will utilize debt financing for projects which have a useful life that can reasonably be expected to exceed the period of debt service for the project.
29. The City will protect and maintain the City's general credit rating of "AAA".
30. The City may utilize interfund loans rather than outside debt to meet short-term cash flow needs.
31. The City will minimize costs and liabilities to the City when sponsoring debt financing for private sectors.

RESERVE POLICIES

32. The City will periodically review and update reserve guidelines, to ensure that the City has sufficient reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
33. The City will maintain an unassigned fund balance of at least 15% of the annual operating expenditures in the General Fund for emergencies and unforeseen operating or capital needs.
34. The City will maintain in the General Fund a \$5 million Public Employees Retirement (PERS) Rate Stabilization Reserve. Based on the annual valuation report provided by CalPERS, the City may fund either the Annual Required Contribution (ARC) amount in lieu of a contribution amount derived from a percentage of salary. Any savings or additional costs resulting from the funding methodologies shall be adjusted from the PERS Rate Stabilization Reserve. This reserve may also be drawn on if the required employer contribution rates exceed previous year's contribution rates by more than 3% of payroll. In this instance, the City Council must approve utilization of this reserve at the time of the budget hearing. This reserve balance will be replenished from the unassigned fund balance after the 15% requirement of the operating expenditures has been met.
35. The City will maintain a Storm Drain replacement reserve to replace and repair storm drain pump stations. The City will endeavor to set-aside \$500,000 annually from the General Fund reserve for this purpose.
36. The City will maintain a retiree medical benefits account established by an irrevocable trust and fund the required contribution annually.

37. Other reserves assigned to investment portfolio market gain, and uninsured claims payable will be calculated and adjusted annually at appropriate levels.
38. The City will maintain working capital in the Water and Sewer utility enterprise funds to provide for future capital projects and unanticipated emergencies, such as water main break repairs, pump station repairs. The City will attempt to maintain a working capital reserve of approximately 30% of the annual operating and maintenance expenses for Water utility fund and 25% of the annual operating and maintenance expenses for Sewer utility fund.
39. In addition, the City will maintain Infrastructure Replacement funds for both Water and Sewer utilities. The goal is to accumulate at least \$2 million a year from each utility fund to set-aside for replacement of infrastructure as the infrastructure reaches the end of its useful life.
40. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
41. The City will maintain a capital reserve in an Equipment Replacement fund, set up as an internal service fund, to enable the timely replacement of vehicles and depreciable equipment as cost. The City will maintain a minimum fund balance of at least 30% of the replacement costs for equipment accounted for in this fund.
42. The City will maintain a capital reserve for technological equipment replacement and will endeavor to set-aside an annual amount of \$300,000 in this fund.
43. The City may direct any loan repayments from the former Redevelopment Agency and residual property tax distributions from the Redevelopment Property Tax Trust Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
44. The City may direct any portion of the General Fund revenues that is not required to balance the operating budget to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
45. The City may direct any portion of the unassigned fund balance of the 2% Transient Occupancy Tax Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.

INVESTMENT POLICIES

46. The Finance Director/City Treasurer will annually render an investment policy for City Council's review and modification as appropriate. The review will take place at a public meeting and the policy shall be adopted by resolution of the City Council.
47. City funds and investment portfolio will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order.
48. Reports on the City's investment portfolio and cash position shall be developed by the Finance Director/City Treasurer and reviewed by the City Council quarterly.
49. Generally Accepted Accounting Principles required that differences between the costs of the investment portfolio and the fair value of the securities be recognized as income or losses in a government's annual financial report. These variances shall not be considered as budgetary resources or uses of resources unless the securities are sold before maturity or the values of the investments are permanently impaired.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

50. The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
51. An annual audit will be performed by an independent public accounting firm with the subsequent issuance of a Comprehensive Annual Financial Report, within six months of the close of the previous fiscal year.
52. Quarterly financial reports and status reports will be submitted to the City Council at the end of each quarter and be made available to the public. The report will provide an analysis of budgeted versus actual revenues and expenditures, on a year-to-date basis. At the minimum, the report shall include the status of the General Fund revenues and expenditures, and Water and Sewer utility fund revenues.

RESOLUTION NO. 8670

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADOPTING THE
APPROPRIATIONS LIMIT FOR THE CITY OF MILPITAS FOR FISCAL YEAR 2017-18

WHEREAS, Article XIII B, Section 1 of the Constitution of the State of California requires that total annual appropriations subject to limitation of the City of Milpitas shall not exceed the appropriations limit of the City for the prior year adjusted for changes in the cost of living and population except as otherwise provided; and

WHEREAS, this Article became effective July 1, 1980, as amended, which requires the City to establish its appropriations limit by resolution each year at a regularly scheduled meeting or a noticed special meeting, commencing after the beginning of each fiscal year; and

WHEREAS, the appropriations base for 1978-79 had been determined and adjusted by the changes in population, cost of living, and transfers of financial responsibility, establishing an appropriations limit for fiscal year 2017-18 of \$96,630,910. The calculation is attached hereto as Attachment No. 1 ("FY 2017-18 Appropriations Limit"); and

WHEREAS, documentation used in determining the appropriations limit has been made available to the public for a period of not less than fifteen (15) days prior to City Council consideration of this Resolution.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The appropriations limit for Fiscal Year 2017-18 shall be \$96,630,910, as set forth herein.
3. Pursuant to Government Code Section 7910, no judicial action or proceeding to attack, review, set aside, void, or annul the action of the City Council in establishing the appropriations limit for fiscal year 2017-18 shall be brought unless such action or proceeding shall have been commenced within forty-five (45) days of the date of adoption of this Resolution.

PASSED AND ADOPTED this 6th day of June 2017, by the following vote:

AYES: (5) Mayor Tran, Vice Mayor Grilli, Councilmembers Nuñez, Barbadillo, and Phan

NOES: (0) None

ABSENT: (0) None

ABSTAIN: (0) None

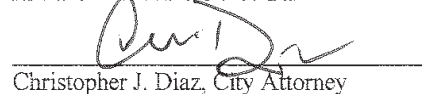
ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Rich Tran, Mayor

APPROVED AS TO FORM:


Christopher J. Diaz, City Attorney

Attachment No. 1

**City of Milpitas
FY 2017-2018 APPROPRIATIONS LIMIT**

Per Capita Change	1.03690
* Population Change	1.00810
Calculation Factor FY 17-18 1.03690×1.00810	1.04530
FY 17-18 limit $\$92,443,330 \times 1.04530$	96,630,910
Appropriations Subject to Limit	<u>71,080,440</u>
Appropriations under Limit	<u>25,550,470</u>

- * On June 5, 1990, the California electorate passed Proposition 111 which modified the method of adjusting the annual appropriations limit. Beginning with the 1990-91 appropriations limit, the City may choose from the following indices when determining the adjustment factor:

The annual growth in the City's population OR the annual growth in the County's population as provided by the State Department of Finance.

AND

The annual growth in the California Per Capita Personal Income OR the growth in the non-residential assessed valuation due to new construction within the City.

In computing the 2017-2018 appropriations limit, the population growth of the County and the California Per Capita Personal Income change were used.

RESOLUTION NO. 8669 / HA 20

**A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AND THE
HOUSING AUTHORITY COMMISSION OF THE CITY OF MILPITAS APPROVING THE
FINAL BUDGET FOR THE CITY OF MILPITAS FOR THE FISCAL YEAR
JULY 1, 2017 THROUGH JUNE 30, 2018**

WHEREAS, the City Manager submitted a 2017-2018 Proposed Budget and Financial Plan; and

WHEREAS, public hearings were held on the Proposed Plan where all interested persons were heard; and

WHEREAS, information establishing the current budget situation and steps to be taken to present balanced City budgets has been presented during this meeting of June 6, 2017, and in prior budget presentations; and

WHEREAS, the City Council and Milpitas Housing Authority Commission ("Authority") reviewed the City Manager's 2017-2018 Proposed Budget and Financial Plan; and

WHEREAS, documentation used in determining the appropriations limit was made available to the public for a period of not less than fifteen (15) days prior to City Council and Milpitas Housing Authority Commission consideration of a Resolution approving the Final Budget; and

NOW, THEREFORE, the City Council of the City of Milpitas and the Milpitas Housing Authority Commission hereby find, determine, and resolve as follows:

1. The City Council and Authority have considered the full record before them, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to them. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The annual Budget and Financial Plan for the City of Milpitas for fiscal year (FY) 2017-2018, attached hereto as **Exhibit A** (hereinafter, the "2017-2018 Final Budget"), is hereby adopted totaling \$134,705,694 for all appropriated funds.
3. The amounts shown as "Appropriations" and estimated fund balances are hereby appropriated for the various purposes designated in the 2017-2018 Final Budget.
4. The budgets for all departments for the period July 1, 2017 through June 30, 2018, inclusive, contained in this 2017-2018 Final Budget, are approved as the operating budget for those departments for FY 2017-2018.
5. Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of FY 2016-2017 may be re-appropriated for continued use in FY 2017-2018. Furthermore, any outstanding contract and/or purchase order obligations (or encumbrances) remaining at the end of FY 2016-17 are subject to carry-over into and appropriated for use in FY 2017-18.
6. No office, department, or agency shall expend any amount or incur any liability or enter into any contract, which by its terms involves expenditures of money for any purpose in excess of the amounts appropriated for the particular departments, purposes, and funds set forth herein.

7. The City Manager may authorize, when in his or her judgment such action is consistent with the purposes and intent of the 2017-2018 Final Budget as adopted, budget revisions subject to the following conditions:
- a. Prior Council Approval Not Required. Prior approval of the City Council is not required under the following circumstances:
 - i. When revisions involve transfers from appropriated contingency reserve accounts less than or equal to the aggregate amount adopted within the budget in any one fiscal year (\$824,224 in FY 2017-18), provided that the Council is notified in writing of the revision, reasons for the revision, the amount of the revision, and the total amount of all revisions year-to-date.
 - ii. When revisions involve transfers from the appropriated leave cash-out account less than or equal to the aggregate amount adopted within the budget in any one fiscal year (\$650,000 in FY 2017-18) to the various departments for cash-outs when employees leave.
 - iii. When revisions involve transfers, or reallocations, within any one fund among the various departments or projects, provided that the amount of transfer in any single instance does not exceed \$20,000.
 - iv. For Police goods and services to be purchased from Asset Seizure funds, the City Manager or his/her designee, has the authority to purchase such goods or services if the expenditures of such goods and services do not exceed \$60,000, which is the amount designated from Asset Seizure funds as approved by the City Council during the Budget hearing.
 - b. Prior Council Approval Required. Prior approval of the City Council is required if any of the following are involved:
 - i. An increase in overall appropriation level within any one Fund.
 - ii. The transfers or reallocation of appropriations between different Funds, except as provided in paragraph (a), above.
 - iii. Changes providing for increases in permanent personnel or changes in classification for personnel from the number of classes or personnel approved in the adopted Budget.
 - iv. Contract change orders which would cause the aggregate contract amount to exceed \$100,000 and/or exceed prior approved appropriation levels for the subject contract.
 - v. Changes when in his or her judgment such action would be inconsistent with the purposes and intent of the 2017-2018 Final Budget as adopted.
 - vi. Transfers from appropriated contingent reserves account, which would cause the aggregate amount of \$824,224 during FY 2017-2018, to be exceeded.

- c. The City Manager shall have the authority to reasonably deviate from the budgeted personnel allocation schedule provided that at no time will the number of permanent, full-time employees authorized by the City Council be exceeded.
8. The approval of the 2017-2018 Final Budget does not commit the City to any action that may have a significant effect on the environment. As a result, there is no potential impact on the environment from this action per Section 15061(b) (3) of the California Environmental Quality Act ("CEQA") Guidelines and this action does not constitute a project under CEQA per CEQA Guidelines Section 15378(b)(4).

PASSED AND ADOPTED this 6th day of June 2017, by the following vote:

AYES: (5) Mayor Tran, Vice Mayor Grilli, Councilmembers Nuñez, Barbadillo, and Phan

NOES: (0) None

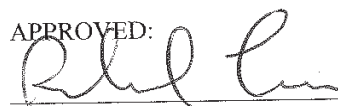
ABSENT: (0) None

ABSTAIN: (0) None

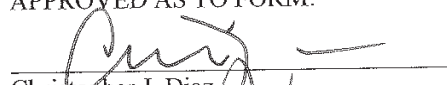
ATTEST:


Mary Lavelle
City Clerk/Authority Secretary

APPROVED:


Rich Tran
Mayor/Chair

APPROVED AS TO FORM:


Christopher J. Diaz
City Attorney/Authority Counsel

RESOLUTION NO. 8667

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING RESOLUTION NO. 1626, THE CLASSIFICATION PLAN, TO ESTABLISH NEW CLASSIFICATIONS

WHEREAS, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been amended from time to time, and which is in accordance with the Personnel Rules and Regulations of the City of Milpitas (Resolution No. 792 as amended); and

WHEREAS, amendments to the Classification Plan are necessary to account for changes within the organization, transfer of duties, new job responsibilities, and adjustments to salary ranges.

NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Resolution No. 1626, as amended, is hereby amended effective July 1, 2017, to add the following:

A. ESTABLISH NEW CLASSIFICATIONS WITH THE FOLLOWING TITLES AND SALARY RANGES:

<u>Title</u>	<u>Proposed Salary Range</u>	<u>Bargaining Unit</u>
*Police Support Services Manager	\$ 104,237 - \$ 138,983/yr.	MidCon
*Senior Administrative Analyst	\$ 86,812.18 - \$ 114,270.78/yr.	MidCon
*Building Apprentice	\$ 28.00 - \$ 35.00/hr.	N/A, Temporary

*Initiated in the FY 2017-18 Budget Process

B. TITLE CHANGES

- Change title of Building Department Director to Building and Safety Director.

Except as modified herein, Resolution No. 1626, as amended, shall remain in full force and effect.

3. The City Council directs the Human Resources Director to create job descriptions to include in the Classification Plan and submit them to the City Manager for approval on or before the date of position activation.
4. The City Council directs the City Attorney to prepare appropriate amendments to the Conflict of Interest Code of the City of Milpitas to address the new classifications and title changes, if necessary.

PASSED AND ADOPTED this 18th day of May, 2017 by the following vote:

AYES: (4) Vice Mayor Grilli, Councilmembers Barbadillo, Nuñez and Phan

NOES: (0) None

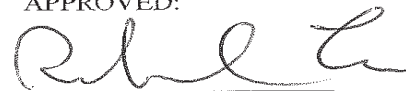
ABSENT: (1) Tran

ABSTAIN: (0) None


ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Rich Tran, Mayor

APPROVED AS TO FORM:


Christopher J. Diaz, City Attorney

RESOLUTION NO. 8671

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING
RESOLUTION NO. 1626, THE CLASSIFICATION PLAN, FOR BUDGETARY
RECLASSIFICATIONS AND POSITION AUTHORIZATIONS**

WHEREAS, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been amended from time to time, and which is in accordance with the Personnel Rules and Regulations of the City of Milpitas (Resolution No. 792 as amended); and

WHEREAS, amendments to the Classification Plan are necessary to account for changes within the organization, transfer of duties, new job responsibilities, and adjustments to salary ranges resulting from the FY 2017-2018 Final Budget.

NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Resolution No. 1626, as amended, is hereby amended effective July 1, 2017, to incorporate the following changes:

A. ESTABLISH THE FOLLOWING POSITION RECLASSIFICATIONS

1. Reclassify one Secretary position to Executive Secretary in the Engineering Department.
2. Reclassify one Building Inspector position to Senior Building Inspector in the Building and Safety Department.
3. Reclassify one Administrative Analyst II position to Senior Administrative Analyst in the Public Works Department.

B. AUTHORIZE THE FOLLOWING POSITIONS

1. Authorize three Firefighter/EMT positions in the Fire Department.
2. Authorize one Fire Captain position in the Fire Department.
3. Authorize one Police Support Services Manager position in the Police Department.
4. Authorize one-half Office Assistant I/II position in the City Clerk function.
5. Authorize one Economic Development Specialist in the Economic Development function.
5. Authorize one Senior Accountant position in the Finance Department.
6. Authorize one Equipment Maintenance Worker II position in the Public Works Department.
7. Authorize one Maintenance Worker I position in the Public Works Department.
8. Authorize one Senior Public Works Lead position in the Public Works Department.
9. Authorize one Assistant Civil Engineer position in the Public Works Department.
10. Authorize one Senior Administrative Analyst position in the Public Works Department.
11. Authorize one Engineering Aide position in the Engineering Department.

12. Authorize three Building Apprentice positions in the Building and Safety Department.

C. DELETE THE FOLLOWING POSITIONS

1. Delete two Associate Civil Engineer positions in the Public Works Department.

3. Except as modified by Section 2, Resolution No. 1626, as amended, shall remain in full force and effect.

4. The City Council directs the City Attorney to prepare appropriate amendments to the Conflict of Interest Code of the City of Milpitas, if necessary, to address the position changes adopted herein.

PASSED AND ADOPTED this 6th day of June 2017, by the following vote:

AYES:	(5) Mayor Tran, Vice Mayor Grilli, Councilmembers Nuñez, Barbadillo, and Phan
NOES:	(0) None
ABSENT:	(0) None
ABSTAIN:	(0) None

ATTEST:


Mary Lavelle, City Clerk

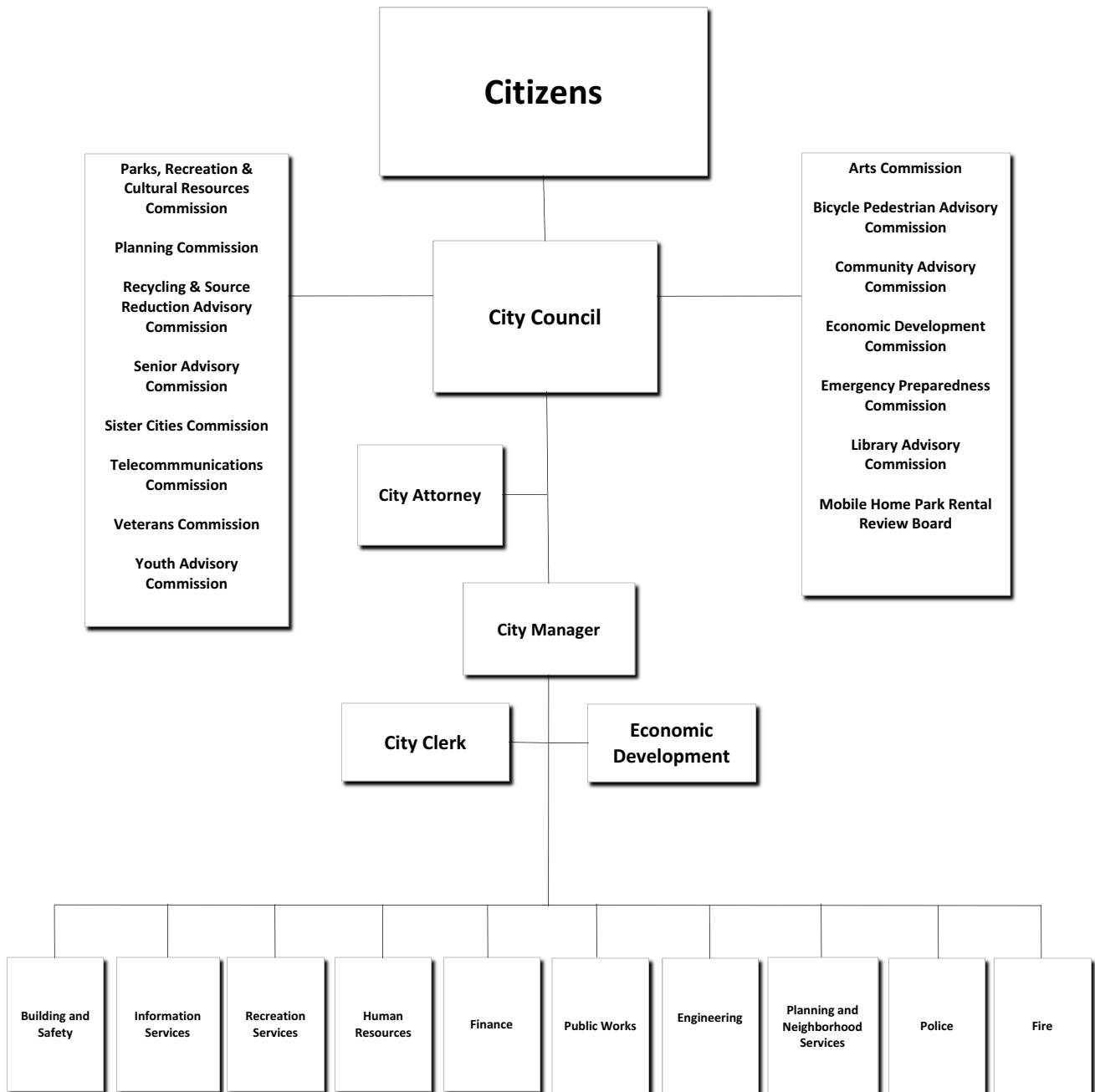
APPROVED:


Rich Tran, Mayor

APPROVED AS TO FORM:


Christopher J. Diaz, City Attorney

Blank Page



City History

Before roads were carved and houses were built, Milpitas and its surrounding areas were home to Native Americans in the Costanoan and Ohlone tribes. Living off the bounty of the land around San Francisco Bay, the Costanoans and the Ohlones prospered for hundreds of years long before Mexican or Spanish immigrants came to conquer the land.

In the 18th century, Spanish explorers surveyed the land and were the first to give Milpitas its name - milpa - or little cornfields. Three large ranches began, and two families, the Alvisos and the Higuerras, built adobes in the mid-1800's which still stand today.

In 1850, the California Gold Rush began, and "American" settlers started taking over the region. In 1852, a settler from Ireland, Michael Hughes, built the first redwood-framed house in what is now Milpitas. Soon after, the first school was built, and by 1857, Milpitas had a hotel, general store and a post office.



Alviso Adobe

Fruit orchards began to spring up in the 1870s, and later the region was known for its hay growing. The population continued to grow into the 1880s and settlers numbered over 1,500. But by the turn of the century, only about a third of those people remained.



Higuera Adobe

Populations would remain low until shortly after World War II, when Western Pacific Railroad bought a 300 acre industrial park within the city and Ford Motor Company announced it would shift its manufacturing plant from Richmond (just north of Oakland) to Milpitas. The population grew to 825. Sewer and water service, and fire protection were set up shortly after, as was one of the country's first integrated housing communities.

On January 26, 1954, the city was officially incorporated, after fighting off annexation attempts by neighboring San Jose. Ten years later, populations grew to 7,000.

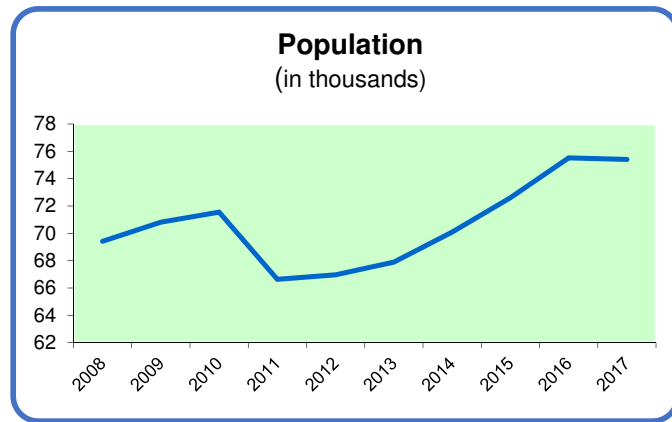
Following the computer firm boom of the 1980s and the opening of one of the nation's largest malls in 1994, the city is now home to 62,698 residents.

Photos Courtesy of: Eliren Pasion
History Courtesy of: The Milpitas Post

Demographic Profile



Once a small agricultural town and later a stopover point for travelers between Oakland and San Jose, Milpitas has blossomed into one of the world's premier computer and semiconductor producers. Tenants of the burgeoning city of 75,410 are family-centered communities that embrace cultural diversity, quality schooling, and conveniently located neighborhood parks and shopping centers.



Incorporated in 1954 with 825 residents, Milpitas is located at the southern tip of the San Francisco Bay. Milpitas covers 13.6 square miles, with grassy foothills and picturesque Mount Hamilton to the east and the Santa Clara Valley Floor to the west. The city is located in Santa Clara County, home to over 1.9 million residents. To the north is the city of Fremont. To the south lies San Jose, the third largest city in California.

There are approximately 1,448 acres, or 2.6 square miles, designated for various industrial uses. About 113 acres are vacant and available in parcels ranging from 3 acres to 35 acres. Included in this acreage total are nine industrial districts and 438 manufacturing plants. An additional 410 acres are dedicated to regional and community retail centers supporting 3.5 million square feet of commercial shops. The Great Mall of the Bay Area is the largest enclosed mall in Northern California, with approximately 1.1 million square feet of leasable space for retail and entertainment operations. Several local shopping centers serve regional needs for Asian-oriented retail and services.





The two largest employers in Milpitas are Cisco Systems and KLA-Tencor with over 2,000 employees each. Other major employers are Flextronics Corporation; View Glass; Linear Technology; and Lifescan Inc. Several of these top employers have made the City of Milpitas their corporate headquarters as well. Given the City's desirable location for high-tech industry, the day time population of Milpitas increases to 100,000.

The City's largest own-source revenue is property tax. Top ten property tax payers are shown below:

Principal Property Tax Payers

Fiscal Year 2015-16

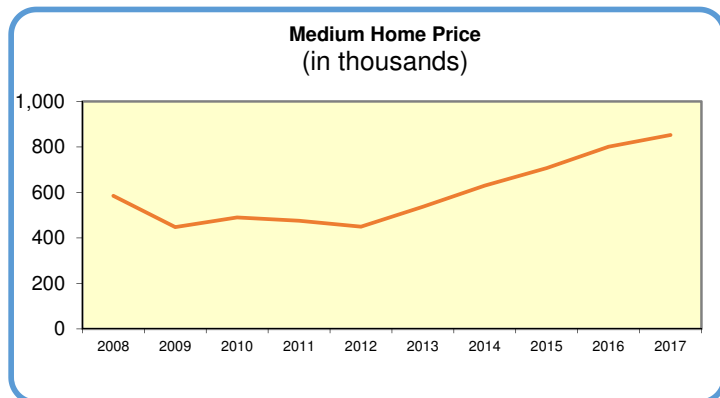
<u>Taxpayers</u>	<u>Taxable Assessed Value</u>	<u>% of Total City Assessed Value</u>
Cisco Technology Inc.	\$901,953,758	5.99%
KLA Tencor Corporation	379,480,551	2.52%
Milpitas Mills LP	310,981,136	2.07%
Sandbox Expansion LLC	191,556,360	1.27%
California Diversified LLC	163,399,376	1.09%
Essex Portfolio LP	149,865,177	1.00%
Hudson Campus Center LLC	124,123,113	0.82%
Linear Technology Corporation	117,010,507	0.78%
Regency Tasman Holdings LLC	115,775,000	0.77%
Headway Technologies Inc.	114,487,120	0.76%

Milpitas' neighborhoods are dotted with over 20,000 households and well-placed parks. Thirty-four community parks are maintained by Milpitas, in addition to one dog park and 21 tennis courts. The City provides a multitude of outstanding recreational opportunities, including aquatics, cultural arts and theater, sports leagues and activities, youth programming, and senior activities and services.



Milpitas' average household income is \$94,218. The percentage of households with incomes more than \$75,000 is close to 74 percent. About 47% of the households earn more than \$100,000 annually.

Close to 67 percent of Milpitanians own their own home. Rental prices vary from \$1,995 to \$2,995 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run \$2,995 to \$3,500. The median price of a home as of April 2017 in Milpitas is \$852,500. There are 20 suburban residential areas. About 9 percent of the city's population are 5 years old or younger, the lowest in the county. About 21 percent are between 6 and 18 years old. About 62 percent of the population are between 18 and 64 years old. About 10 percent of residents are over 65, also the lowest in the county.



Milpitas public school system has 9 elementary schools, 2 middle schools, 2 high schools, 2 children centers, and an adult education program serving the community. Private school system has 4 elementary schools and 33 preschool/daycare facilities. School enrollment is 10,260.

Milpitas has the highest population of ethnicities in all Santa Clara County. According to the 2010 census, an estimated 62 percent of residents are Asian; 15 percent are Caucasian; 17 percent are Hispanic or Latino; and 3 percent are Black or African-Americans.

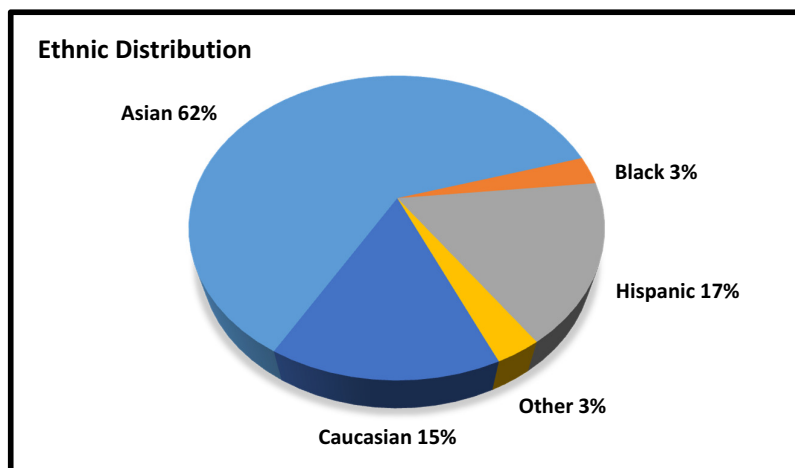
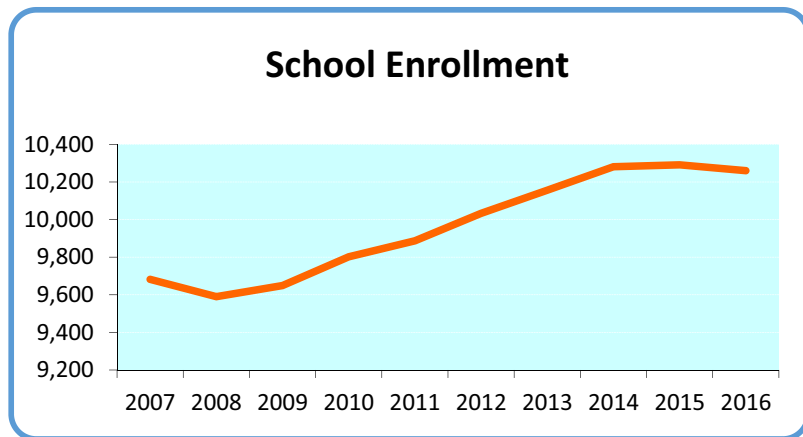
At 20 feet above sea level, Milpitas' mild climate averages 59 degrees, with gentle winds from the northwest and little more than 13 inches of rain expected in a typical year.

The bustling general law city is supervised by a council-manager form of government. The Milpitas City Council is the flagship decision making body that appoints members too many commissions that serve in advisory capacities. The mayorship is an elected position, as are all the council seats. Mayors serve two-year terms; council members have four-year seats.

The City Council makes the ultimate planning and policy decisions for residents, and oversees the city's \$167 million budget. The five members carry out twice a month public meetings. At these times, the public's comments are usually heard, under the citizen's forum. The Council's meetings are held the first and third Tuesdays of each month at 7:00 p.m. in the Milpitas City Hall, 455 E. Calaveras Blvd.

There are 15 advisory commissions on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, Library Advisory Commission and Senior Advisory Commission, to name a few.

Issues challenging most commissions these days are development, quality of life and how to streamline traffic bottlenecks that plague this area at commute times.



City of Milpitas at a Glance

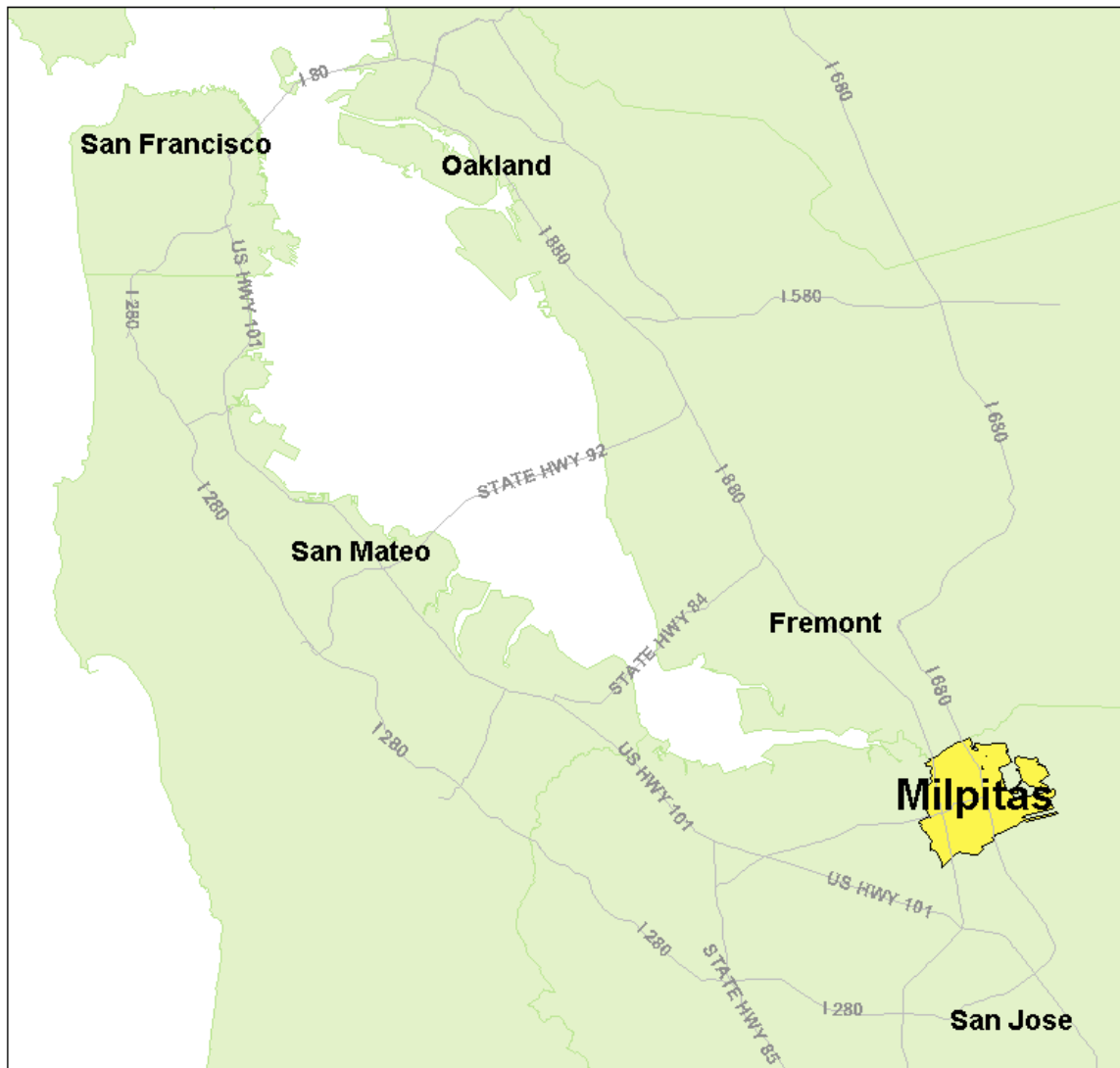
Date of Incorporation	January 26, 1954	Water Utility	
Form of Government	Council-Manager	Number of Customers:	
		Residential	14,701
		Commercial	2,078
		Recycled Water	211
Population (estimated*)	75,410	Average Daily Consumption	
Land Area (Square Miles)	13.6	(in million gallons)	5.8
Miles of Streets	298		
Number of Street Lights	4,581	Miles of Water Mains	203
Fire Protection		Sewer Utility	
Number of Stations	4	Miles of Sanitary Sewers	173
Number of Firefighters	55	Miles of Storm Drains	99
Fire Apparatus	11		
Number of Fire Hydrants	2,039	Public Schools Serving the Community	
Police Protection		Elementary Schools	9
Number of Stations	2	Middle Schools	2
Number of Sworn Officers	89	High Schools	2
Crossing Guard Posts	42		
Number of Police Patrol Vehicles	29	Parks and Recreation	
Employees		Acres of Parkland	195
Permanent	302	Number of Parks	32
Temporary (FTE)	209	Number of Swimming Pools	3
		Number of Tennis Courts	21

Courtesy of

* State of California, Department of Finance
 The Milpitas Post
 The City of Milpitas, Finance Department

Blank Page

Vicinity Map



The City of Milpitas is located near the southern tip of San Francisco Bay, forty-five miles south of San Francisco. Milpitas is often called the “Crossroads of Silicon Valley” with most of its 13.63 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and a county expressway. A light rail line opened for service in 2004 and an extension of BART, including a major multi-modal station is expected to open for service in 2018.

City Council

Mayor	Rich Tran
Vice Mayor	Marsha Grilli
Councilmember	Garry Barbadillo
Councilmember	Bob Nuñez
Councilmember	Anthony Phan

Commissions/Board

Arts Commission

Dan Bobay
Christina Driggers
Robert Gill
Robin Hays
Cyd Mathias
Harriett McGuire
Nicole Phan
Tess Santos
Lu Qiang Shu
Becky Strauss
Marsha Tran

**Bicycle Pedestrian Advisory
Commission**

William Barnes
Kristal Caidoy
Bernel Hallera
Chris Lee
Christine Sanchez
Philip Tuet

**Community Advisory
Commission**

Thelma Batilo
Mike Bilbao
George Chen
Vishal Gandhi
Ashish Kathapurkar
Michael W. Lee
Oscar Leon
Michelle Manassau
Syed Mohsin
Jose Rosario
Ashok K. Sharma
Van Lan Truong

**Economic Development
Commission**

Ricardo Ablaza
Dhaval Brahmbhatt
Jeffrey Chen
Donald Peoples
Minh Nguyen
Raghu Reddy
Lynne Rice
Charlene Tsao
Anna Wang
Warren Wettenstein

**Emergency Preparedness
Commission**

Mercedes Albana
Michael Berryhill
Don Clendenin
Timothy J. Howard
Nasir Lalani
Jonathan Nakapalau
Betty Reutter
Vicki Young

Library Advisory Commission

Trinidad Aoalin
Tony Cailles
Yu-Lan Chou
Elpidio Estioko
Nonie McDonald
Hellie Mateo
Ha Phan
Sonny Wang

Commissions/Board

Parks, Recreation and Cultural

Resources Commission

Satish Bansal
Vishnu Mathur
Voltaire Montemayor
Steve Munzel
Evelyn Ramirez
Aakar Shah
Rohit Sharma
Bhupinder Singh

Planning Commission

Evelyn Chua
Lawrence Ciardella
Rajeev Madnawat
Sudhir Mandal
Ray Maglalang
Zehy Mohsin
Demetress Morris
Gurdev Sandhu

Recycling & Source Reduction

Advisory Commission

Echo Arthur
Manpreet Badesha
Eddie Inamdar
Yue George Liu
Marta Martinez
Christopher Salian
Brian Shreve
Mandeep Singh

Senior Advisory Commission

Karen Adams
Jenny Berryhill
Barbara Ebright
Estrella Gilana
Melba Holliday
Deborah R. Langley
Nona Tolentino
Denny Weisgerber
Jae Wi
Willy Wong
Patrick Yung

Sister Cities Commission

Massoud Arefi
Dipak Awasthi
Peter Chang
Tiffany Dinh
Dennis Grilli
Rhoda Shapiro
Jennifer Strohfus
Michael Tsai

**Telecommunications
Commission**

Albert Alcorn
Anh Bao
Arun Bakthavatchalam
Ernesto Bautista
Kurt Bohan
Dinesh C. Gupta
Niranjan Gupta
William Lam
Sukhi Singh
Hai Tran

Veterans Commission

Ed Ackerman
Dana Arbaugh
William Devereux
Arthur Ebright
Ricardo Martinez
Andre Ramones
Liliana Ramos
John Schmidt
Denny Weisgerber

Youth Advisory Commission

Jashandeep Chahal
Isaac Chang
Emerald Gilana
Amanda Jimenez
Sabina King
Christie Maly
Alan Pham
Clare Sern
Ravit Sharma
Claudia Wang
Jenna Zarbis

Directory of Officials

Fiscal Year 2017-2018

Interim City Manager
Steve Pangelinan

Police Chief
Steve Pangelinan

Director of Financial Services
Will Fuentes

Fire Chief
Robert Mihovich

City Clerk
Mary Lavelle

City Attorney
Christopher Diaz

Chief Information Officer
Mike Luu

Human Resources Director
Tina Murphy

Interim Director of Engineering
Greg Chung

Planning & Neighborhood Services Director
Bradley Misner

Chief Building Official
Keyvan Irannejad

Public Works Director
Nina Hawk

Recreation and Community Services Director
Renee Lorentzen

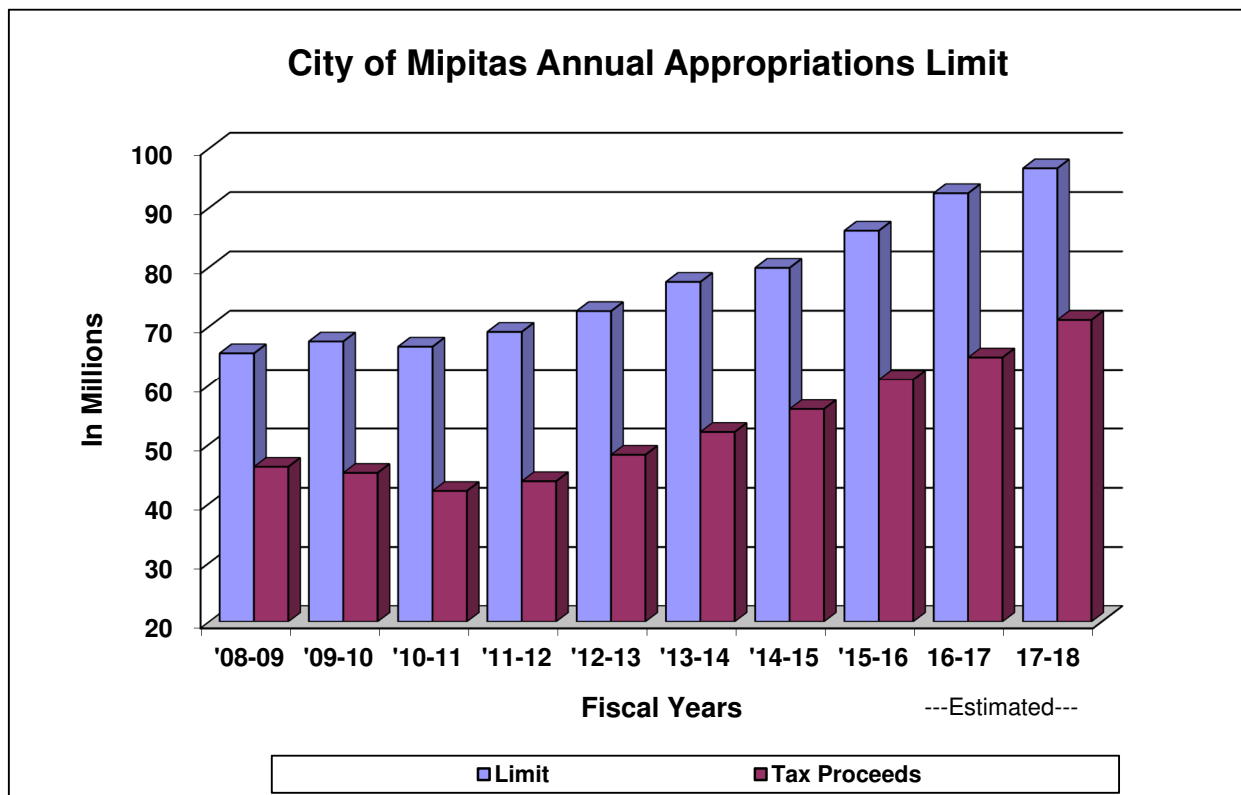
Economic Development Director
Edesa Bitbadal

Gann Limit Analysis

Article XIII B of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, was approved by California voters in November 1979 and placed limits on the amount of proceeds of taxes that state and local governmental agencies can receive and spend each year. If an agency receives more revenue than the Appropriations Limit, the excess revenue must be returned to the taxpayers through a tax reduction or refund within the next two years. Alternatively, the agency can increase its Appropriations Limit through voters' approval.

Each year's limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. The City Council must adopt, by resolution, an Appropriations Limit for the following year. Using the population and per capita personal income change factors provided by the State of California, the City's Appropriations Limit for FY2017-18 has been computed to be \$96,630,910. Appropriations subject to the limitation in FY2017-18 budget total \$71,080,440 that is \$25,550,470 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 2008-2009. The City has not exceeded its annual Appropriations Limit in any single fiscal year. The City has been under 90% of the limitation and should not be impacted by the Appropriations Limit.



Computation of Legal Bonded Debt Margin

City of Milpitas
June 30, 2017

ASSESSED VALUATION:

Total property assessed value, net of exempt real property	<u>\$16,018,809,160</u>	
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)		<u>\$600,705,344</u>
AMOUNT OF DEBT SUBJECT TO LIMIT:		
Total Bonded Debt	\$112,600,000	
Less: Tax Allocation Bonds and Certificates of Participation, not subject to limit	112,600,000	
Amount of debt subject to limit		<u>-0-</u>
LEGAL BONDED DEBT MARGIN		<u><u>\$600,705,344</u></u>

¹ Source: County of Santa Clara Tax Rates and Information publication.

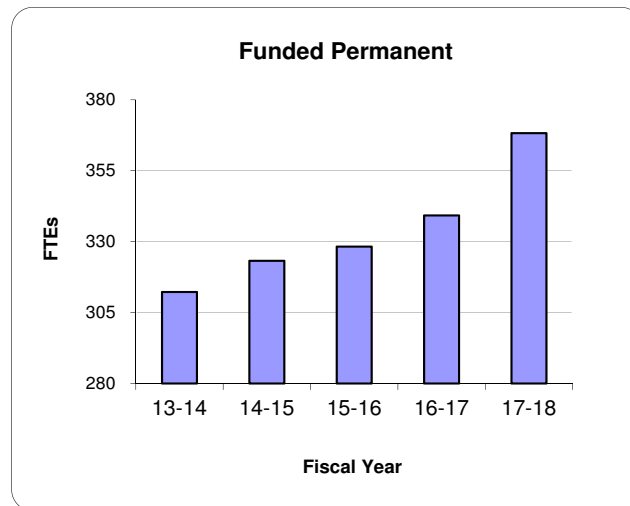
² California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Authorized Positions by Division

		14-15		15-16		16-17		Change		17-18	
		Approved		Approved		Approved				Approved	
		Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp
100	City Council	5.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
111	City Manager	5.00	1.00	5.00	1.00	6.00	1.00	-2.00	0.00	4.00	1.00
114	City Clerk	3.00	0.00	3.00	0.00	3.00	0.00	1.00	0.00	4.00	0.00
	City Manager	13.00	1.00	13.00	1.00	14.00	1.00	-1.00	0.00	13.00	1.00
116	Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	2.00	1.00	2.00	1.00
	Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	2.00	1.00	2.00	1.00
120	City Attorney	4.00	0.00	4.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00
	City Attorney	4.00	0.00	4.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00
530	Building and Safety	23.00	2.00	24.00	3.00	24.00	5.00	1.00	3.00	25.00	8.00
	Building and Safety	23.00	2.00	24.00	3.00	24.00	5.00	1.00	3.00	25.00	8.00
112	Information Services	15.00	0.00	14.00	1.50	14.00	1.50	0.00	0.00	14.00	1.50
	Information Services	15.00	0.00	14.00	1.50	14.00	1.50	0.00	0.00	14.00	1.50
115	Human Resources	6.00	0.75	6.00	0.75	6.00	0.75	0.00	0.25	6.00	1.00
	Human Resources	6.00	0.75	6.00	0.75	6.00	0.75	0.00	0.25	6.00	1.00
450	Recreation Services	25.50	32.25	17.75	33.25	17.75	36.00	0.25	6.50	18.00	42.50
	Recreation Services	25.50	32.25	17.75	33.25	17.75	36.00	0.25	6.50	18.00	42.50
300	Finance Administration	7.00	0.00	7.00	0.00	7.00	0.00	1.00	0.00	8.00	0.00
310	Finance Operations	20.50	2.00	20.50	2.00	21.50	3.00	1.50	0.00	23.00	3.00
	Finance	27.50	2.00	27.50	2.00	28.50	3.00	2.50	0.00	31.00	3.00
420	Public Works	90.00	5.00	90.00	5.00	92.00	3.50	12.00	0.00	104.00	3.50
	Public Works	90.00	5.00	90.00	5.00	92.00	3.50	12.00	0.00	104.00	3.50
650	Engineering	32.00	4.50	33.00	4.25	35.00	4.50	-6.00	-1.00	29.00	3.50
	Engineering	32.00	4.50	33.00	4.25	35.00	4.50	-6.00	-1.00	29.00	3.50
510	Planning & Nghbrhd	18.50	3.00	17.00	3.25	17.00	3.00	1.00	-2.00	18.00	1.00
	Planning & Nghbrhd Srves	18.50	3.00	17.00	3.25	17.00	3.00	1.00	-2.00	18.00	1.00
700	Police Administration	3.00	0.00	3.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
710	Police Technical Services	30.00	1.00	30.00	1.00	30.00	1.50	0.00	0.00	30.00	1.50
720	Police Field Services	75.00	13.00	72.00	13.00	72.00	13.00	3.00	0.00	75.00	13.00
730	Special Operations	14.00	0.00	17.00	0.00	17.00	0.00	-3.00	0.00	14.00	0.00
	Police	122.00	14.00	122.00	14.00	122.00	14.50	0.00	0.00	122.00	14.50
800	Fire Administration	4.00	0.50	2.00	0.50	2.00	0.50	0.00	0.00	2.00	0.50
810	Emerg Resp & Prep Div	66.00	0.00	65.00	0.00	65.00	0.00	2.00	0.00	67.00	0.00
820	Prevention Division	10.00	0.50	9.00	0.50	10.00	0.50	1.00	0.00	11.00	0.50
	Fire	80.00	1.00	76.00	1.00	77.00	1.00	3.00	0.00	80.00	1.00
	TOTAL	456.50	65.50	444.25	69.00	451.25	73.75	14.75	7.75	466.00	81.50

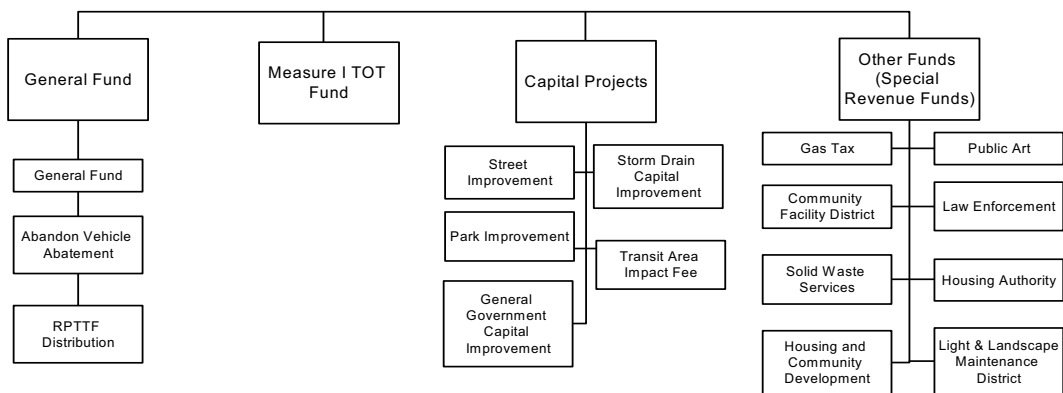
Funded Permanent Positions by Department

	13-14		14-15		15-16		16-17		17-18
	Funded	Change	Funded	Change	Funded	Change	Funded	Change	Approved
City Council	5.00	0.00	5.00	0.00	5.00	0.00	5.00	0.00	5.00
City Manager	2.00	2.00	4.00	0.00	4.00	0.00	4.00	(1.00)	3.00
City Clerk	2.00	0.00	2.00	0.00	2.00	0.00	2.00	1.00	3.00
City Manager	9.00	2.00	11.00	0.00	11.00	0.00	11.00	0.00	11.00
Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00
City Attorney	3.00	0.00	3.00	0.00	3.00	(2.00)	1.00	0.00	1.00
Building and Safety	17.00	0.00	17.00	1.00	18.00	0.00	18.00	1.00	19.00
Information Services	10.00	0.00	10.00	(1.00)	9.00	1.00	10.00	0.00	10.00
Human Resources	3.00	0.00	3.00	1.00	4.00	0.00	4.00	1.00	5.00
Recreation Services	12.75	1.00	13.75	1.00	14.75	1.00	15.75	0.00	15.75
Finance	21.50	0.00	21.50	1.00	22.50	1.00	23.50	1.00	24.50
Public Works	40.00	1.00	41.00	0.00	41.00	5.00	46.00	19.00	65.00
Engineering	21.00	2.00	23.00	0.00	23.00	2.00	25.00	(7.00)	18.00
Planning & Nghbrhd Srves	10.00	1.00	11.00	0.00	11.00	0.00	11.00	5.00	16.00
Police	105.00	3.00	108.00	1.00	109.00	2.00	111.00	2.00	113.00
Fire	60.00	1.00	61.00	1.00	62.00	1.00	63.00	5.00	68.00
TOTAL	312.25	11.00	323.25	5.00	328.25	11.00	339.25	29.00	368.25

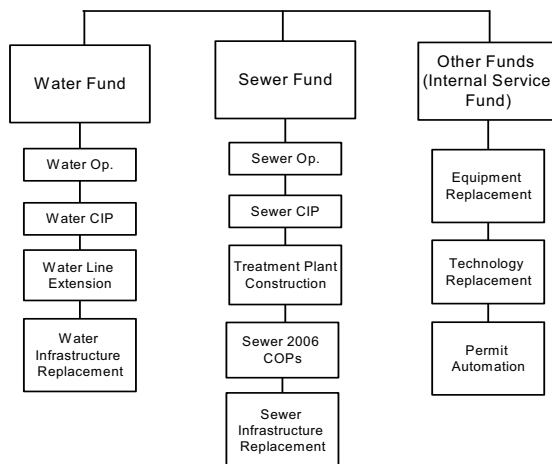


City of Milpitas Fund Structure By Budgetary Basis

Modified Accrual Basis of Budgeting



Accrual Basis of Budgeting



Basis of Budgeting

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis. For all propriety funds, revenues and expenditures are budgeted on an accrual basis.

Accrual Basis is a basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received and spent.

Modified Accrual Basis is a basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred.

* The description of the funds can be found in the Appendix, Fund Descriptions

	Grand Total	General Fund (1)	Measure I TOT
ESTIMATED REVENUES			
PROPERTY TAXES	28,850,000	28,850,000	0
TAXES OTHER THAN PROPERTY	42,367,000	39,518,000	2,234,000
LICENSES AND PERMITS	8,388,690	8,388,690	0
FINES AND FORFEITS	386,000	386,000	0
USE OF MONEY AND PROPERTY	2,460,000	324,000	53,000
INTERGOVERNMENTAL	6,246,866	948,000	0
CHARGES FOR CURRENT SERVICES	54,442,970	6,499,491	0
OTHER REVENUE	56,522,722	141,000	0
sub-total	199,664,248	85,055,181	2,287,000
OTHER FINANCING SOURCES			
(INCREASE) DECREASE IN FUND BALANCE	12,687,729	0	129,225
(INCREASE) DECREASE IN CIP RSRV	(17,162,743)	0	0
OPERATING TRANSFERS IN	14,865,200	5,427,000	0
OPERATING TRANSFERS OUT	(14,865,200)	(300,000)	(1,600,000)
sub-total	(4,475,014)	5,127,000	(1,470,775)
TOTAL	195,189,234	90,182,181	816,225
BUDGETED APPROPRIATIONS			
PERSONNEL SERVICES	84,398,719	73,630,539	216,200
SUPPLIES & CONTRACTUAL SERVICES	47,394,149	16,541,642	600,025
CAPITAL OUTLAY	650,826	10,000	0
sub-total	132,443,694	90,182,181	816,225
CAPITAL IMPROVEMENTS	60,483,540	0	0
DEBT SERVICE	2,262,000	0	0
sub-total	62,745,540	0	0
TOTAL	195,189,234	90,182,181	816,225
FUND BALANCE			
FUND BALANCE 7/1/2017	184,977,000	30,440,000	2,700,000
NET CHANGES IN FUND BALANCE	4,475,014	0	(129,225)
TOTAL	189,452,014	30,440,000	2,570,775
RESTRICTED	17,971,226	5,600,000	0
UNRESERVED - ASSIGNED	11,704,775	2,800,000	2,570,775
RESTRICTED FOR CIP	114,650,743	0	0
COMMITTED FOR PERS	8,440,000	8,440,000	0
UNASSIGNED, UNRESTRICTED	36,685,270	13,600,000	0
TOTAL	189,452,014	30,440,000	2,570,775

(1) General Fund includes RPTTF Distribution Fund, Abandon Vehicle Abatement Fund and administration funds of the former Redevelopment Agency.

(2) Other Funds include Public Art Fund, Community Facility District Funds, Gas Tax Fund, Light & Landscape Maintenance District Funds, Housing and Community Development Fund, Law Enforcement Grant Funds, Solid Waste Services Fund, Equipment Replacement Fund, Information Technology Replacement Fund and Permit Automation Fund.

Housing Authority	Other Funds (2)	Capital Projects (3)	Water Fund (4)	Sewer Fund (5)
0	0	0	0	0
0	615,000	0	0	0
0	0	0	0	0
0	0	0	0	0
574,000	172,000	787,000	219,000	331,000
0	1,994,783	3,268,083	36,000	0
175,000	1,000,000	0	29,968,479	16,800,000
0	2,178,722	26,500,000	26,639,000	1,064,000
749,000	5,960,505	30,555,083	56,862,479	18,195,000
(309,096)	5,841,167	0	2,387,176	4,639,257
0	0	(1,936,443)	(17,577,300)	2,351,000
0	300,000	6,863,200	2,275,000	0
0	(5,708,000)	(2,275,000)	(2,594,000)	(2,388,200)
(309,096)	433,167	2,651,757	(15,509,124)	4,602,057
439,904	6,393,672	33,206,840	41,353,355	22,797,057
350,943	2,702,509	0	3,952,287	3,546,241
88,961	3,210,337	0	19,694,368	7,258,816
0	480,826	0	160,000	0
439,904	6,393,672	0	23,806,655	10,805,057
0	0	33,131,840	16,046,700	11,305,000
0	0	75,000	1,500,000	687,000
0	0	33,206,840	17,546,700	11,992,000
439,904	6,393,672	33,206,840	41,353,355	22,797,057
7,300,000	17,949,000	69,388,000	25,300,000	31,900,000
309,096	(5,841,167)	1,936,443	15,190,124	(6,990,257)
7,609,096	12,107,833	71,324,443	40,490,124	24,909,743
7,609,096	4,762,130	0	0	0
0	34,000	6,300,000	0	0
0	0	65,024,443	34,777,300	14,849,000
0	0	0	0	0
0	7,311,703	0	5,712,824	10,060,743
7,609,096	12,107,833	71,324,443	40,490,124	24,909,743

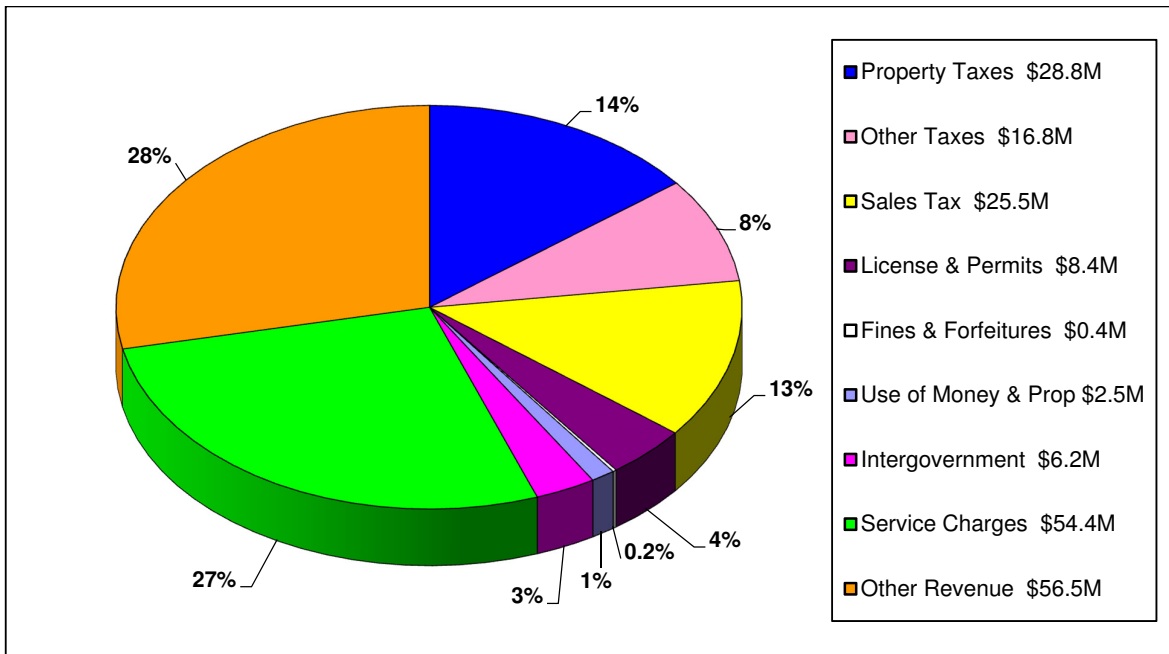
(3) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund and Transit Area Impact Fee Fund.

(4) Water Fund includes Water Fund, Water Fund CIP, Water Line Extension Fund and Water Infrastructure Replacement Fund.

(5) Sewer Fund includes Sewer Fund, Sewer Fund CIP, Treatment Plant Construction Fund, Sewer 2006 COPs fund and Sewer Infrastructure Replacement Fund.

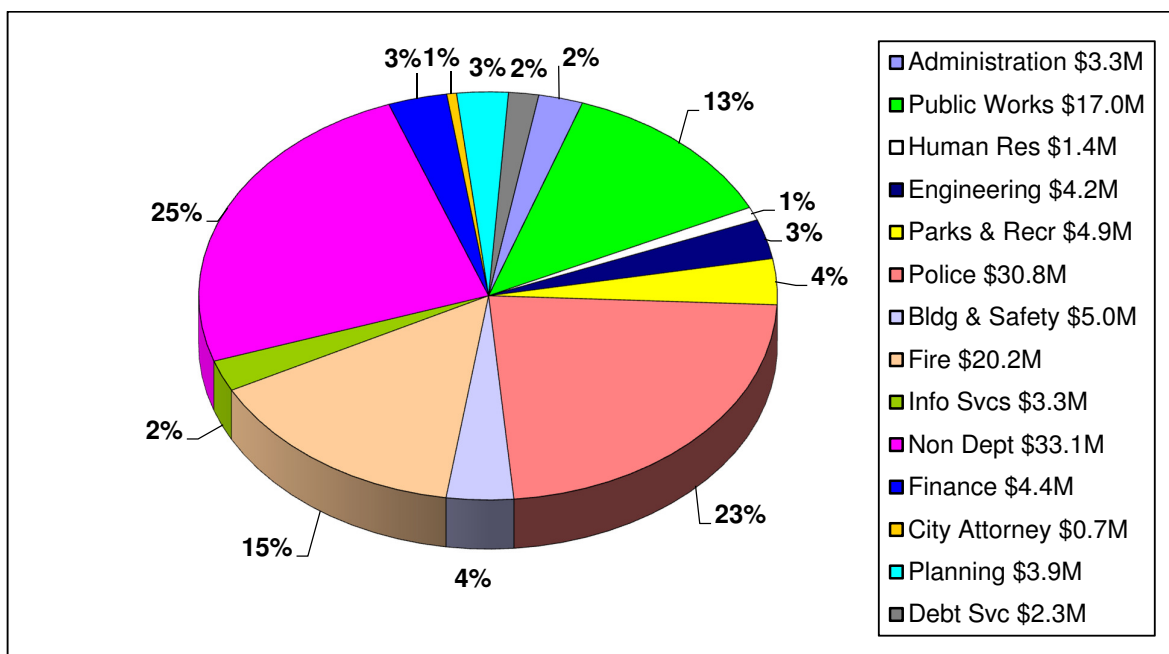
Distribution of Revenues

2017-2018
(All Funds)



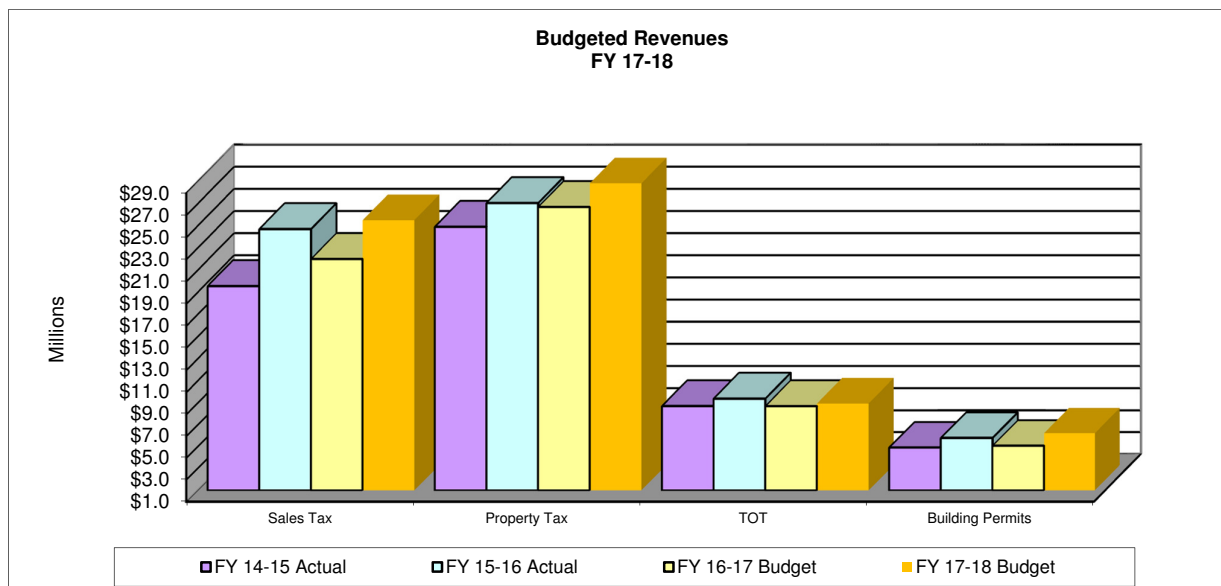
Distribution of Expenditures

2017-2018
(All Funds)



General Fund Revenue Assumptions

CPI	Projected to be in the 2 to 3% increase range based on the average urban Consumer Price Index in the last 10 years for the San Francisco-Oakland-San Jose Metropolitan Areas. CPI is only applied to non-major revenues and only after specific annual trends have been reviewed.
Sales Tax	Staff's assumption for FY 17-18 sales tax revenue is a 15.9% increase from the FY 16-17 estimate. The projected increase reflects continuing economic growth in the region and population growth in the City as many of the new residential developments are constructed and occupied. It is assumed that Milpitas businesses will capture a portion of the consumer spending, especially in the retail and restaurant economic segments. The projection is consistent with the projection of the City's sales tax consultant.
Property Tax	Property tax revenues are estimated to increase by 8.0% in FY 17-18 from the FY 16-17 budgeted revenue. The increase is partially attributed to the inflation adjustment allowed by Proposition 13 at the lower of 2% or California Consumer Price Index, and partially due to new residential units that added to the assessed valuation of the secured properties. The projection is consistent with the assessed valuation information provided by the County of Santa Clara Assessor's office. In addition, pursuant to ABx1 26 that legislates the dissolution of the RDA, all remaining RDA property tax revenue after satisfying the approved obligations of the RDA, will be distributed to the taxing entities within the RDA project area. The City is one of the taxing entities that will receive its estimated share of approximately \$5.1 million in FY 17-18.
Transient Occupancy Tax (TOT)	Transient Occupancy tax revenue is projected to increase \$231,000 or 2.6% from the FY 16-17 budget. All 19 hotels in the local area continue to have high occupancy rates, and it is anticipated that FY 17-18 will continue with a slight increase.
Building Permits	In FY 17-18, building permit and inspection revenues are projected to be \$8.4 million, an increase of 22.1% or \$1.5 million over the FY 16-17 budgeted revenue. It is anticipated that residential developments will continue at a high level similar to FY 16-17 and TASP growth will be strong. The projection is based on the number of recent applications submitted and the potential commencement dates of the construction. Other more routine building permit and inspection revenues from home improvement and commercial tenant improvement are included in the projection.



Revenues by Fund (Summary)

	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
100 General Fund	67,852,401	75,098,253	82,602,700	89,887,181
102 Measure I TOT	477,965	1,840,144	700,000	687,000
103 1452-1474 S. Main	293,497	268,103	200,000	250,000
105 Abandon Veh Abatement	87,942	79,640	40,000	45,000
150 Redevelopment Administration	195,572	165,377	0	0
211 H-Hetch Ground Lease	(2,515)	30,614	17,000	0
213 Public Art Fund-Nonrestricted	1,059	3,801	6,000	1,000
214 Community Planning Fee Fund	224,708	90,553	1,000	54,000
221 Gas Tax Fund	197,323	(237,020)	(1,432,414)	(383,217)
235 95-1 Lighting/Lscape Dist	229,484	291,228	263,744	182,000
236 98-1 Lighting/Lscape Dist	23,337	37,876	39,000	39,000
237 05 Community Fclty Dist	521,097	1,092,098	606,000	1,062,722
238 08 Community Fclty Dist	96,765	(62,665)	0	(100,000)
250 HCD Fund	413,162	409,991	375,000	400,000
251 HCD Loan	1,560	1,486	2,000	0
261 Supplemental Law Enforcement	138,514	67,803	0	2,000
262 State Asset Seizure	21,882	4,401	10,000	0
263 Federal Asset Seizure	682	610	1,800	0
267 Justice Assistance Grant	0	(12)	0	0
269 Grant Fund	15,973	164,794	0	0
280 Solid Waste Services	781,266	511,975	689,000	544,000
295 Housing Authority	962,460	961,316	801,000	749,000
310 Street Fund	(376,811)	67,191	29,000	(132,000)
311 Street CIP	5,368,591	9,329,503	6,090,000	5,550,000
312 Traffic Impact Fee	88,327	(644,875)	257,000	59,000
314 Vehicle Registration Fee	122,379	(7,409)	(50,000)	(40,000)
315 Calaveras Widening Impact Fee	11,350	30,701	100	0
316 Montague Widening Impact Fee	16,436	3,247	0	0
317 Milpitas Business Park Impact Fee	507,734	(493,361)	8,000	7,000
318 1997 TABs	276,640	(276,640)	0	0
319 2003 TABs	3,465,859	(3,465,859)	0	0
320 Park Improvement Fund	(682,221)	(1,085,961)	125,000	(2,525,000)
321 Park Improvement CIP	2,550,000	7,585,000	1,275,000	11,175,000
322 Midtown Park Fund	(1,262,275)	(3,049,065)	(556,000)	(2,245,000)
330 General Government	16,876,934	8,690,412	(4,618,000)	(11,457,557)
331 General Government CIP	1,078,000	2,191,800	5,058,256	11,091,840
332 RPTTF Distribution Fund	(7,358,741)	0	0	0
340 Storm Drain Development	(243,747)	(346,795)	(165,000)	(478,000)
341 Storm Drain CIP	760,000	1,950,000	1,365,000	1,515,000
350 Transit Area Impact Fee Fund	10,622,492	26,433,549	25,170,000	18,823,000
351 Transit Area Impact Fee CIP Fund	650,000	0	935,000	3,800,000
400 Water M & O Fund	15,161,260	18,496,613	23,869,000	22,919,479
401 Water CIP	3,992,772	(675,000)	23,010,000	16,046,700
402 Water Line Extension Fund	(10,013)	556,271	(654,000)	(1,905,000)
403 Water Bonds	0	0	4,505,000	18,573,300

	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
405 Water Infrastructure Replmnt	0	0	0	909,000
450 Sewer M & O Fund	11,286,136	12,403,652	12,327,000	6,852,800
451 Sewer CIP	8,275,919	3,815,000	6,440,000	11,305,000
452 Treatment Plant Construction	(2,031,152)	(747,047)	64,200	(2,184,000)
453 Sewer 2006 COPS	1	1	0	0
455 Sewer Infrastrture Replmnt	(1,476,794)	60,411	(973,000)	(167,000)
500 Equipment Mgnt Fund	2,074,732	2,788,503	2,471,000	(1,965,000)
505 Information Tec Replmt	300,052	300,347	300,000	300,000
506 Permit Automation Fund	341,895	1,005,426	508,000	416,000
TOTAL	<u>142,919,888</u>	<u>165,735,981</u>	<u>191,712,386</u>	<u>199,664,248</u>

Revenues by Fund (Detail)

Description	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
GENERAL FUND (100)				
PROPERTY TAXES				
3010 Property Taxes, Current	20,004,943	21,197,998	21,247,000	23,200,000
3030 Property Taxes, Supplement	738,326	742,121	459,000	550,000
3050 Property Taxes, RPTTF Distribution	4,183,647	5,127,991	5,010,000	5,100,000
sub-total	24,926,915	27,068,110	26,716,000	28,850,000
TAXES OTHER THAN PROPERTY				
3110 Sales and Use Tax	19,572,356	24,718,975	22,019,000	25,520,000
3120 Real Estate Transfer Tax	955,298	701,412	624,000	700,000
3131 Electric Franchise	1,320,261	1,393,478	1,320,000	1,400,000
3132 Gas Franchise	157,159	158,302	156,000	157,000
3133 Garbage Franchise-Commercial	1,089,917	1,118,917	1,050,000	1,225,000
3134 Garbage Franchise-NonCommercial	456,397	470,188	470,000	550,000
3137 Nitrogen Gas Franchise	48,969	55,587	49,000	49,000
3138 CATV Franchise	586,026	644,538	586,000	600,000
3140 Business License Tax	309,027	334,117	355,000	355,000
3150 Hotel/Motel Tax	8,733,319	9,401,800	8,731,000	8,962,000
sub-total	33,228,729	38,997,315	35,360,000	39,518,000
LICENSES AND PERMITS				
3210 Building Permits	4,934,766	5,819,943	5,109,000	6,251,690
3220 Fire Permits	1,070,023	1,264,284	1,340,000	1,605,000
3240 Life Safety Annual Permits	342,742	353,222	275,000	345,000
3250 Fire Inspections	170,385	152,973	145,000	187,000
sub-total	6,517,917	7,590,422	6,869,000	8,388,690
FINES AND FORFEITS				
3301 Vehicle Code Fines	152,092	149,561	150,000	110,000
3302 Other Court Fines	156,527	159,205	143,000	110,000
3305 Booking Fees	13,196	12,891	17,000	16,000
3306 NBO Violation Fees	9,970	7,695	18,000	8,000
3307 Impound Fees	65,134	78,126	77,000	86,000
3308 Animal Violations	13,652	7,488	6,000	6,000
3309 False Alarm Fee	42,800	45,300	20,000	40,000
3310 Fire Administrative Citations	0	0	0	10,000
sub-total	453,371	460,265	431,000	386,000
USE OF MONEY AND PROPERTY				
3431 Pooled Investment Interest (Nonalloc)	78,621	155,334	0	0
3433 Other Interest Income	15,075	345,960	148,000	0
3434 Pooled Interest Allocation	172,990	189,972	154,000	324,000
sub-total	266,686	691,266	302,000	324,000
INTERGOVERNMENTAL				
3511 Motor Vehicle In Lieu Tax	29,323	29,295	30,000	33,000
3521 Homeowners Property Tax Relief	123,677	120,256	124,000	130,000
3556 Federal Contributions-Recreation	5,000	15,800	0	0
3557 Federal Contributions-Police	16,283	11,930	0	0
3558 Federal Contributions-Fire	0	10,220	0	0

Description	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
3562 POST Grant	7,555	22,647	0	0
3567 State Contributions-Police	151,750	0	0	0
3575 County Cont-Public Works	550,102	588,141	450,000	450,000
3576 County Contributions-Recreation	78,578	78,174	80,000	80,000
3577 County Contributions-Police	104,017	81,166	128,000	80,000
3578 County Contributions-Fire	34,975	38,673	0	0
3581 Other Restricted Grants-General Gov't	163,466	183,692	170,000	110,000
3582 SB90 Grant	718,033	20,880	25,000	20,000
3591 Misc Unrestricted Intergovernmental	0	14,523	0	0
sub-total	1,982,759	1,215,397	1,007,000	903,000
CHARGES FOR CURRENT SERVICES				
3601 General Government Service Charges	156,221	211,331	184,000	50,000
3602 Sales of Maps and Documents-Gen Gov't	738	111	0	0
3603 Rents, Leases and Concessions-Gen Gov't	99,456	239,136	270,000	240,000
3604 B L Processing Fee	163,631	164,927	127,000	160,000
3608 PJ Legal Overhead Charge	1,128	0	0	0
3609 PJ Legal Reimbursement	1,069	122,833	0	0
3611 PJ Overhead Charges-PW/E	1,023,383	646,615	1,118,000	976,091
3612 PJ Labor Reimbursement-PW/E	436,713	272,721	486,000	350,800
3613 PJ Vendor Reimbursement-PW/E	36,605	902,005	215,000	45,000
3616 Engineering Plan Check Fee	755	2,440	1,000	2,000
3617 Planning Fees	6,470	2,823	4,000	3,000
3618 Sales of Maps and Doc-PW/Engr	1,913	4,049	1,000	2,000
3619 Rent,Lease & Concession-PW/Eng	28,000	28,000	25,000	25,000
3631 PJ Overhead Charges - Fire	9,919	21,391	13,000	23,360
3632 PJ Labor Reimbursement - Fire	8,323	13,258	6,000	13,000
3633 Fire Cost Recovery	107,858	323,398	26,000	0
3634 Unwanted Alarms-Fire	45,000	45,300	20,000	40,000
3637 Fire Service Charges	201,934	328,091	254,000	324,000
3638 Sale of Maps & Documents-Fire	30	15	0	0
3639 Fire Electroinc Archieve Charge	13,600	9,325	10,000	10,000
3641 Police Service Charges	658,538	658,408	613,000	600,000
3643 Fingerprints	1,138	1,008	2,000	1,000
3644 Sales of Maps & Documents-Police	11,564	10,596	10,000	10,000
3645 Police Cost Recovery	1,540	325	0	0
3646 Rents, Leases & Concessions-Police	27,865	12,600	0	0
3647 DUI-Police Cost Recovery	16,108	6,906	13,000	13,000
3648 PJ Overhead Charges-Police	853	520	0	0
3649 PJ Labor Reimb - Police	639	713	1,000	0
3651 Rents, Leases & Concessions-Recreation	292,311	210,444	323,000	275,000
3652 Recreation Fees	1,707,580	1,710,440	1,870,000	2,129,300
3653 Senior Nutrition Fees	27,356	24,933	27,000	25,000
3655 Sales of Merchandise Recreation	461	257	0	0
3656 Recreation Transaction Fees	31,854	34,733	30,000	36,500
3661 Sales of Maps & Documents-Building	15	0	0	0
3662 Records Retention Fee-Building	62,794	63,540	60,000	50,000

Description	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
3663 Building Service Charges	1,261	2,182	0	1,000
3665 PJ Overhead Charges-Building	36,561	9,421	0	0
3666 PJ Labor Reimbursement-Building	17,442	4,609	0	0
3667 Building State Mandated Standard Fee	12,558	11,918	10,000	10,000
3672 Public Works Cost Recovery	64,565	19,692	20,000	20,000
3681 PJ Overhead Charge-Planning	405,869	265,670	365,700	548,959
3682 PJ Labor Reimbursement-Planning	143,034	89,974	159,000	200,481
3683 PJ Vendor Reimbursement-Planning	50,401	308,007	375,000	20,000
3685 Housing & Neighborhood Services	12,848	13,580	12,000	12,000
3686 Planning Plan Check Fee	12,560	9,263	12,000	12,000
3691 Fire GIS Mapping	0	164	0	0
3692 Fire Automation Fee	23,457	21,912	20,000	21,000
sub-total	<u>5,963,917</u>	<u>6,829,581</u>	<u>6,682,700</u>	<u>6,249,491</u>
OTHER REVENUE				
3710 Development	17,661	4,950	15,000	15,000
3730 Recycling	0	3,332	0	0
3750 Donations	15,869	5,679	0	5,000
3770 Sale of Property, Plant and Equipment	6,593	161,618	5,000	1,000
3790 Miscellaneous Other Revenue	183,761	95,657	100,000	120,000
sub-total	<u>223,883</u>	<u>271,236</u>	<u>120,000</u>	<u>141,000</u>
OPERATING TRANSFERS IN				
3806 Op Trfs in from Solid Waste Service	223,252	277,000	282,000	248,000
3812 Op Trfs in from Water Fund	2,366,459	2,347,000	2,633,000	2,594,000
3815 Op Trfs in from Sewer Fund	1,527,385	1,575,000	1,641,000	1,685,000
3819 Op Trfs in from Other	207,859	207,500	859,000	900,000
3822 Op Trfs in from General Gov't Fund	976	0	0	0
3854 Appn Tfr in from Transit Area Fund	0	62,500	0	0
sub-total	<u>4,325,931</u>	<u>4,469,000</u>	<u>5,415,000</u>	<u>5,427,000</u>
OPERATING TRANSFERS OUT				
3917 Op Trfs Out To the Equipment Fund	0	(300,000)	0	0
3919 Op Trfs Out To Other Miscellaneous Funds	0	0	(300,000)	(300,000)
3922 Op Trfs Out To the General Government Fund	(9,800,000)	(12,000,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(237,708)	(194,339)	0	0
sub-total	<u>(10,037,708)</u>	<u>(12,494,339)</u>	<u>(300,000)</u>	<u>(300,000)</u>
TOTAL (100)	<u>67,852,401</u>	<u>75,098,253</u>	<u>82,602,700</u>	<u>89,887,181</u>
MEASURE I TOT (102)				
3150 Hotel/Motel Tax	2,183,330	2,355,527	2,372,000	2,234,000
3431 Pooled Investment Interest (Nonalloc)	(8,189)	12,245	(4,000)	0
3433 Other Interest Income	32,500	39,708	0	0
3434 Pooled Interest Allocation	20,325	32,663	32,000	53,000
3822 Op Trfs in from General Gov't Fund	0	0	600,000	0
3909 Op Trfs Out To the Street Improvement Fund	(1,600,000)	(600,000)	(2,150,000)	(1,600,000)
3922 Op Trfs Out To the General Government Fund	(150,000)	0	(150,000)	0
TOTAL (102)	<u>477,965</u>	<u>1,840,144</u>	<u>700,000</u>	<u>687,000</u>

Description	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
1452-1474 S. MAIN (103)				
3431 Pooled Investment Interest (Nonalloc)	38	936	0	0
3434 Pooled Interest Allocation	155	1,343	0	0
3603 Rents, Leases and Concessions-Gen Gov't	293,304	265,824	200,000	250,000
TOTAL (103)	<u>293,497</u>	<u>268,103</u>	<u>200,000</u>	<u>250,000</u>
ABANDON VEH ABATEMENT (105)				
3577 County Contributions-Police	45,806	50,678	40,000	45,000
3899 Op Trfs in from Subsidiary CIP Fund	42,136	28,961	0	0
TOTAL (105)	<u>87,942</u>	<u>79,640</u>	<u>40,000</u>	<u>45,000</u>
REDEVELOPMENT ADMINISTRATION (150)				
3899 Op Trfs in from Subsidiary CIP Fund	195,572	165,377	0	0
TOTAL (150)	<u>195,572</u>	<u>165,377</u>	<u>0</u>	<u>0</u>
H-HETCH GROUND LEASE (211)				
3431 Pooled Investment Interest (Nonalloc)	5,921	11,221	17,000	0
3433 Other Interest Income	(1,104)	26,463	0	0
3434 Pooled Interest Allocation	526	430	0	0
3901 Op Trfs Out To the General Fund	(7,859)	(7,500)	0	0
TOTAL (211)	<u>(2,515)</u>	<u>30,614</u>	<u>17,000</u>	<u>0</u>
PUBLIC ART FUND-NONRESTRICTED (213)				
3431 Pooled Investment Interest (Nonalloc)	(2)	170	0	0
3433 Other Interest Income	183	315	0	0
3434 Pooled Interest Allocation	879	915	0	1,000
3750 Donations	0	2,400	6,000	0
TOTAL (213)	<u>1,059</u>	<u>3,801</u>	<u>6,000</u>	<u>1,000</u>
COMMUNITY PLANNING FEE FUND (214)				
3431 Pooled Investment Interest (Nonalloc)	443	712	0	0
3434 Pooled Interest Allocation	712	1,527	1,000	4,000
3617 Planning Fees	223,553	288,313	200,000	250,000
3922 Op Trfs Out To the General Government Fund	0	0	(200,000)	(200,000)
3952 Appn Trfs out to General Gov't Fund	0	(200,000)	0	0
TOTAL (214)	<u>224,708</u>	<u>90,553</u>	<u>1,000</u>	<u>54,000</u>
GAS TAX FUND (221)				
3431 Pooled Investment Interest (Nonalloc)	1,244	5,065	1,500	0
3434 Pooled Interest Allocation	19,812	23,636	28,000	31,000
3543 Sec 2103-Gas Tax	662,371	372,974	171,250	302,370
3545 Sec 2105-Gas Tax	387,570	407,646	453,473	438,947
3546 Sec 2106-Gas Tax	260,246	265,347	226,144	269,910
3547 Sec 2107-Gas Tax	496,018	530,811	629,719	567,056
3548 Sec 2107.5-Gas Tax	7,500	7,500	7,500	7,500
3909 Op Trfs Out To the Street Improvement Fund	(1,598,085)	(1,850,000)	(2,950,000)	(2,000,000)
3939 Appn Trfs out to Street Fund	(39,352)	0	0	0
TOTAL (221)	<u>197,323</u>	<u>(237,020)</u>	<u>(1,432,414)</u>	<u>(383,217)</u>
95-1 LIGHTING/LSCAPE DIST (235)				
3431 Pooled Investment Interest (Nonalloc)	(111)	478	0	0
3433 Other Interest Income	153	198	0	0

Description	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
3434 Pooled Interest Allocation	514	662	1,000	1,000
3720 Special Assessments	273,929	289,890	281,000	281,000
3922 Op Trfs Out To the General Government Fund	(45,000)	0	(18,256)	(100,000)
TOTAL (235)	<u>229,484</u>	<u>291,228</u>	<u>263,744</u>	<u>182,000</u>
98-1 LIGHTING/LSCAPE DIST (236)				
3431 Pooled Investment Interest (Nonalloc)	(33)	66	0	0
3433 Other Interest Income	20	26	0	0
3434 Pooled Interest Allocation	124	111	0	0
3720 Special Assessments	36,225	37,673	39,000	39,000
3922 Op Trfs Out To the General Government Fund	(13,000)	0	0	0
TOTAL (236)	<u>23,337</u>	<u>37,876</u>	<u>39,000</u>	<u>39,000</u>
05 COMMUNITY FCLTY DIST (237)				
3431 Pooled Investment Interest (Nonalloc)	(253)	1,799	0	0
3433 Other Interest Income	236	520	0	0
3434 Pooled Interest Allocation	828	1,533	0	4,000
3720 Special Assessments	720,286	888,246	750,000	1,058,722
3899 Op Trfs in from Subsidiary CIP Fund	0	200,000	0	0
3901 Op Trfs Out To the General Fund	(200,000)	0	(144,000)	0
TOTAL (237)	<u>521,097</u>	<u>1,092,098</u>	<u>606,000</u>	<u>1,062,722</u>
08 COMMUNITY FCLTY DIST (238)				
3431 Pooled Investment Interest (Nonalloc)	186	(85)	0	0
3433 Other Interest Income	0	69	0	0
3434 Pooled Interest Allocation	373	248	0	0
3720 Special Assessments	96,206	337,103	715,000	800,000
3901 Op Trfs Out To the General Fund	0	(200,000)	(715,000)	(900,000)
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(200,000)	0	0
TOTAL (238)	<u>96,765</u>	<u>(62,665)</u>	<u>0</u>	<u>(100,000)</u>
HCD FUND (250)				
3555 Federal Contri-Public Works	0	60,648	0	0
3559 Federal Contributions-Planning	413,162	349,342	375,000	400,000
TOTAL (250)	<u>413,162</u>	<u>409,991</u>	<u>375,000</u>	<u>400,000</u>
HCD LOAN (251)				
3431 Pooled Investment Interest (Nonalloc)	(301)	0	0	0
3433 Other Interest Income	1,862	1,486	2,000	0
TOTAL (251)	<u>1,560</u>	<u>1,486</u>	<u>2,000</u>	<u>0</u>
SUPPLEMENTAL LAW ENFORCEMENT (261)				
3431 Pooled Investment Interest (Nonalloc)	73	501	0	0
3434 Pooled Interest Allocation	693	1,208	0	2,000
3567 State Contributions-Police	61,548	66,095	0	0
3577 County Contributions-Police	76,200	0	0	0
TOTAL (261)	<u>138,514</u>	<u>67,803</u>	<u>0</u>	<u>2,000</u>
STATE ASSET SEIZURE (262)				
3431 Pooled Investment Interest (Nonalloc)	23	81	0	0

Description	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
3434 Pooled Interest Allocation	645	563	0	0
3567 State Contributions-Police	21,214	3,756	10,000	0
TOTAL (262)	<u>21,882</u>	<u>4,401</u>	<u>10,000</u>	<u>0</u>
FEDERAL ASSET SEIZURE (263)				
3431 Pooled Investment Interest (Nonalloc)	(9)	31	800	0
3434 Pooled Interest Allocation	691	567	1,000	0
3899 Op Trfs in from Subsidiary CIP Fund	0	12	0	0
TOTAL (263)	<u>682</u>	<u>610</u>	<u>1,800</u>	<u>0</u>
JUSTICE ASSISTANCE GRANT (267)				
3434 Pooled Interest Allocation	0	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(12)	0	0
TOTAL (267)	<u>0</u>	<u>(12)</u>	<u>0</u>	<u>0</u>
GRANT FUND (269)				
3431 Pooled Investment Interest (Nonalloc)	64	(64)	0	0
3434 Pooled Interest Allocation	333	(502)	0	0
3558 Federal Contributions-Fire	4,620	0	0	0
3578 County Contributions-Fire	10,955	165,360	0	0
TOTAL (269)	<u>15,973</u>	<u>164,794</u>	<u>0</u>	<u>0</u>
SOLID WASTE SERVICES (280)				
3135 Solid Waste-Community Relations	165,077	165,286	165,000	165,000
3136 Solid Waste-HHW-Contract & Public	249,499	265,164	250,000	250,000
3139 County-wide AB 939 Fee	187,105	208,285	200,000	200,000
3431 Pooled Investment Interest (Nonalloc)	569	2,598	0	0
3434 Pooled Interest Allocation	13,074	14,984	17,000	18,000
3565 State Contri-Public Works	14,435	14,888	9,000	9,000
3615 Public Works and Engr Fees	111,847	111,167	110,000	110,000
3671 Public Works Service Charges	259,800	229,230	220,000	40,000
3790 Miscellaneous Other Revenue	3,111	4,174	0	0
3845 Appn Transfers in from Sewer Fund	0	80,000	0	0
3901 Op Trfs Out To the General Fund	(223,252)	(277,000)	(282,000)	(248,000)
3952 Appn Trfs out to General Gov't Fund	0	(306,800)	0	0
TOTAL (280)	<u>781,266</u>	<u>511,975</u>	<u>689,000</u>	<u>544,000</u>
HOUSING AUTHORITY (295)				
3431 Pooled Investment Interest (Nonalloc)	1,028	14,697	0	0
3433 Other Interest Income	751,624	738,901	285,000	500,000
3434 Pooled Interest Allocation	37,811	53,517	56,000	74,000
3603 Rents, Leases and Concessions-Gen Gov't	171,997	154,201	175,000	175,000
3740 Reimbursements	0	0	285,000	0
TOTAL (295)	<u>962,460</u>	<u>961,316</u>	<u>801,000</u>	<u>749,000</u>
STREET FUND (310)				
3431 Pooled Investment Interest (Nonalloc)	2,017	12,788	0	0
3433 Other Interest Income	3,619	24,459	0	0
3434 Pooled Interest Allocation	29,453	37,836	29,000	68,000
3912 Op Trfs Out To the Water Fund	0	(7,892)	0	(200,000)

Description	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
3999 Op Trfs Out To the Subsidiary CIP Fund	(411,900)	0	0	0
TOTAL (310)	<u>(376,811)</u>	<u>67,191</u>	<u>29,000</u>	<u>(132,000)</u>
STREET CIP (311)				
3555 Federal Contri-Public Works	0	1,712,648	0	0
3561 State Contributions-General Gov't	0	0	0	108,083
3565 State Contri-Public Works	160,015	0	0	0
3575 County Cont-Public Works	393,164	352,385	0	0
3802 Op Trfs in from Gas Tax Fund	1,598,085	1,850,000	2,950,000	2,000,000
3812 Op Trfs in from Water Fund	225,000	100,000	250,000	0
3815 Op Trfs in from Sewer Fund	225,000	100,000	250,000	100,000
3822 Op Trfs in from General Gov't Fund	0	0	0	1,291,917
3824 Op Trfs in Transit Area Fund	0	40,000	40,000	0
3826 Op Trfs in from Measure I TOT Fund	1,600,000	600,000	2,150,000	1,600,000
3832 Appn Transfers in from Gas Tax	39,352	0	0	0
3852 Appn Tfr in from General Gov't Fund	0	200,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	1,127,975	4,374,470	450,000	500,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(50,000)
TOTAL (311)	<u>5,368,591</u>	<u>9,329,503</u>	<u>6,090,000</u>	<u>5,550,000</u>
TRAFFIC IMPACT FEE (312)				
3431 Pooled Investment Interest (Nonalloc)	(3,369)	0	0	0
3434 Pooled Interest Allocation	4,691	1,885	7,000	9,000
3710 Development	752,925	35,200	250,000	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	50,000
3952 Appn Trfs out to General Gov't Fund	0	(500,000)	0	0
3954 Appn Trfs Out Transit Area Fund	(500,000)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(165,920)	(181,960)	0	0
TOTAL (312)	<u>88,327</u>	<u>(644,875)</u>	<u>257,000</u>	<u>59,000</u>
VEHICLE REGISTRATION FEE (314)				
3431 Pooled Investment Interest (Nonalloc)	260	388	0	0
3434 Pooled Interest Allocation	1,406	1,763	0	0
3575 County Cont-Public Works	420,713	440,441	400,000	460,000
3999 Op Trfs Out To the Subsidiary CIP Fund	(300,000)	(450,000)	(450,000)	(500,000)
TOTAL (314)	<u>122,379</u>	<u>(7,409)</u>	<u>(50,000)</u>	<u>(40,000)</u>
CALAVERAS WIDENING IMPACT FEE (315)				
3431 Pooled Investment Interest (Nonalloc)	276	350	100	0
3434 Pooled Interest Allocation	857	1,131	0	0
3710 Development	10,218	29,219	0	0
TOTAL (315)	<u>11,350</u>	<u>30,701</u>	<u>100</u>	<u>0</u>
MONTAGUE WIDENING IMPACT FEE (316)				
3431 Pooled Investment Interest (Nonalloc)	704	617	0	0
3434 Pooled Interest Allocation	2,187	2,630	0	0
3710 Development	13,545	0	0	0
TOTAL (316)	<u>16,436</u>	<u>3,247</u>	<u>0</u>	<u>0</u>
MILPITAS BUSINESS PARK IMPACT FEE (317)				
3431 Pooled Investment Interest (Nonalloc)	2,449	280	0	0

Description	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
3434 Pooled Interest Allocation	5,286	6,359	8,000	7,000
3710 Development	500,000	0	0	0
3952 Appn Trfs out to General Gov't Fund	0	(500,000)	0	0
TOTAL (317)	<u>507,734</u>	<u>(493,361)</u>	<u>8,000</u>	<u>7,000</u>
1997 TABS (318)				
3432 Cash with Fiscal Agents	0	0	0	0
3848 Appn Transfers in from Tax Allocation	526,795	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(250,155)	(276,640)	0	0
TOTAL (318)	<u>276,640</u>	<u>(276,640)</u>	<u>0</u>	<u>0</u>
2003 TABS (319)				
3431 Pooled Investment Interest (Nonalloc)	27	0	0	0
3432 Cash with Fiscal Agents	0	11	0	0
3848 Appn Transfers in from Tax Allocation	3,465,832	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(3,465,869)	0	0
TOTAL (319)	<u>3,465,859</u>	<u>(3,465,859)</u>	<u>0</u>	<u>0</u>
PARK IMPROVEMENT FUND (320)				
3431 Pooled Investment Interest (Nonalloc)	2,023	20,682	0	0
3433 Other Interest Income	4,693	38,548	167,000	0
3434 Pooled Interest Allocation	78,364	89,649	83,000	100,000
3710 Development	782,700	2,135,160	1,000,000	1,000,000
3922 Op Trfs Out To the General Government Fund	(300,000)	0	(300,000)	0
3924 Op Trfs Out To the Transit Area Impact Fund	0	0	(150,000)	0
3942 Appn Trfs out to Water Fund	0	(200,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(1,250,000)	(3,170,000)	(675,000)	(3,625,000)
TOTAL (320)	<u>(682,221)</u>	<u>(1,085,961)</u>	<u>125,000</u>	<u>(2,525,000)</u>
PARK IMPROVEMENT CIP (321)				
3815 Op Trfs in from Sewer Fund	0	0	0	500,000
3822 Op Trfs in from General Gov't Fund	0	0	0	1,525,000
3824 Op Trfs in Transit Area Fund	300,000	0	0	3,250,000
3852 Appn Tfr in from General Gov't Fund	0	855,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	2,250,000	6,730,000	1,275,000	5,900,000
TOTAL (321)	<u>2,550,000</u>	<u>7,585,000</u>	<u>1,275,000</u>	<u>11,175,000</u>
MIDTOWN PARK FUND (322)				
3431 Pooled Investment Interest (Nonalloc)	(1,523)	85	0	0
3434 Pooled Interest Allocation	39,248	30,894	44,000	30,000
3710 Development	0	479,955	0	0
3922 Op Trfs Out To the General Government Fund	(300,000)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(1,000,000)	(3,560,000)	(600,000)	(2,275,000)
TOTAL (322)	<u>(1,262,275)</u>	<u>(3,049,065)</u>	<u>(556,000)</u>	<u>(2,245,000)</u>
GENERAL GOVERNMENT (330)				
3431 Pooled Investment Interest (Nonalloc)	(3,116)	44,411	0	0
3433 Other Interest Income	(14,179)	0	0	0
3434 Pooled Interest Allocation	25,589	143,087	162,000	288,000
3801 Op Trfs in from General Fund	9,800,000	12,000,000	0	0

Description	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
3823 Op Trfs in Storm Drain Fund	0	0	150,000	0
3899 Op Trfs in from Subsidiary CIP Fund	7,404,616	0	200,000	0
3901 Op Trfs Out To the General Fund	(976)	0	0	0
3902 Op Trfs Out To the Gas Tax Fund	0	(200,000)	0	0
3909 Op Trfs Out To the Street Improvement Fund	0	0	0	(1,291,917)
3910 Op Trfs Out To the Park Improvement Fund	0	0	0	(1,525,000)
3923 Op Trfs Out To the Storm Drain Fund	(235,000)	(1,200,000)	(830,000)	(400,000)
3940 Appn Trfs out to Park Improvement	0	(855,000)	0	0
3942 Appn Trfs out to Water Fund	0	(278,543)	0	0
3945 Appn Trfs out to Sewer Fund	0	(278,543)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(100,000)	(685,000)	(4,300,000)	(8,528,640)
TOTAL (330)	<u>16,876,934</u>	<u>8,690,412</u>	<u>(4,618,000)</u>	<u>(11,457,557)</u>
GENERAL GOVERNMENT CIP (331)				
3567 State Contributions-Police	0	0	90,000	0
3710 Development	0	0	500,000	0
3760 Developer Contribution	0	0	100,000	(100,000)
3810 Op Trfs in from Park Improvement	600,000	0	300,000	0
3812 Op Trfs in from Water Fund	0	0	100,000	0
3815 Op Trfs in from Sewer Fund	0	0	100,000	103,200
3817 Op Trfs in from Equipment Replacement	170,000	0	0	2,060,000
3819 Op Trfs in from Other	0	0	200,000	400,000
3826 Op Trfs in from Measure I TOT Fund	150,000	0	150,000	0
3827 Op Trfs in from LLMD Fund	58,000	0	18,256	100,000
3836 Appn Trfs in from Solid Waste Services	0	306,800	0	0
3839 Appn Transfers in from Street Fund	0	1,000,000	0	0
3849 Other Appn Transfers In	0	200,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	100,000	685,000	4,300,000	8,528,640
3926 Op Trfs Out to Measure I TOT	0	0	(600,000)	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(200,000)	0
TOTAL (331)	<u>1,078,000</u>	<u>2,191,800</u>	<u>5,058,256</u>	<u>11,091,840</u>
RPTTF DISTRIBUTION FUND (332)				
3434 Pooled Interest Allocation	45,874	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(7,404,616)	0	0	0
TOTAL (332)	<u>(7,358,741)</u>	<u>0</u>	<u>0</u>	<u>0</u>
STORM DRAIN DEVELOPMENT (340)				
3431 Pooled Investment Interest (Nonalloc)	689	8,784	0	0
3434 Pooled Interest Allocation	14,335	22,880	20,000	37,000
3710 Development	266,228	371,540	500,000	600,000
3999 Op Trfs Out To the Subsidiary CIP Fund	(525,000)	(750,000)	(685,000)	(1,115,000)
TOTAL (340)	<u>(243,747)</u>	<u>(346,795)</u>	<u>(165,000)</u>	<u>(478,000)</u>
STORM DRAIN CIP (341)				
3822 Op Trfs in from General Gov't Fund	235,000	1,200,000	830,000	400,000
3899 Op Trfs in from Subsidiary CIP Fund	525,000	750,000	685,000	1,115,000

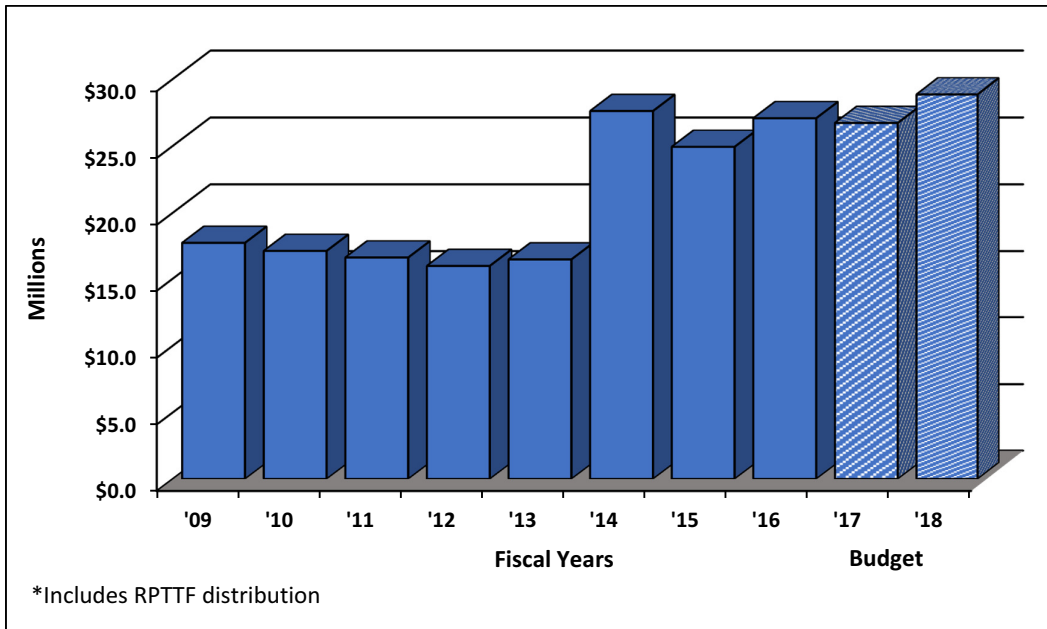
Description	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
3923 Op Trfs Out To the Storm Drain Fund	0	0	(150,000)	0
TOTAL (341)	<u>760,000</u>	<u>1,950,000</u>	<u>1,365,000</u>	<u>1,515,000</u>
TRANSIT AREA IMPACT FEE FUND (350)				
3431 Pooled Investment Interest (Nonalloc)	10,471	56,921	1,274,000	0
3433 Other Interest Income	(13,358)	0	0	0
3434 Pooled Interest Allocation	47,941	120,143	111,000	248,000
3710 Development	9,288,357	26,160,762	24,360,000	25,000,000
3740 Reimbursements	0	198,223	0	0
3845 Appn Transfers in from Sewer Fund	1,739,081	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	150,000	0
3909 Op Trfs Out To the Street Improvement Fund	0	(40,000)	0	0
3910 Op Trfs Out To the Park Improvement Fund	(300,000)	0	0	(3,250,000)
3912 Op Trfs Out To the Water Fund	0	0	0	(2,075,000)
3931 Appn Trfs out to General Fund	0	(62,500)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(150,000)	0	(725,000)	(1,100,000)
TOTAL (350)	<u>10,622,492</u>	<u>26,433,549</u>	<u>25,170,000</u>	<u>18,823,000</u>
TRANSIT AREA IMPACT FEE CIP FUND (351)				
3561 State Contributions-General Gov't	0	0	0	2,700,000
3760 Developer Contribution	0	0	250,000	0
3810 Op Trfs in from Park Improvement	0	0	150,000	0
3849 Other Appn Transfers In	500,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	150,000	0	725,000	1,100,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(190,000)	0
TOTAL (351)	<u>650,000</u>	<u>0</u>	<u>935,000</u>	<u>3,800,000</u>
WATER M & O FUND (400)				
3431 Pooled Investment Interest (Nonalloc)	6,469	21,454	0	0
3433 Other Interest Income	10,544	55,276	0	0
3434 Pooled Interest Allocation	138,275	146,951	165,000	179,000
3585 Other Res Grant-Public Works	127,466	63,379	0	36,000
3622 Water Service Agreements	738	0	0	0
3623 Metered Water Sales	20,873,376	18,461,686	27,293,000	24,900,000
3626 Construction Water	86,179	89,329	60,000	60,000
3672 Public Works Cost Recovery	8,479	8,479	4,000	8,479
3790 Miscellaneous Other Revenue	143,965	123,125	130,000	130,000
3809 Op Trfs in from Street Fund	0	7,892	0	0
3852 Appn Tfr in from General Gov't Fund	0	278,543	0	0
3899 Op Trfs in from Subsidiary CIP Fund	2,000,000	5,415,000	0	200,000
3901 Op Trfs Out To the General Fund	(2,366,459)	(2,347,000)	(2,633,000)	(2,594,000)
3909 Op Trfs Out To the Street Improvement Fund	(225,000)	(100,000)	(250,000)	0
3922 Op Trfs Out To the General Government Fund	0	0	(100,000)	0
3981 Contributions-Proprietary Fund	0	812,500	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(5,642,772)	(4,540,000)	(800,000)	0
TOTAL (400)	<u>15,161,260</u>	<u>18,496,613</u>	<u>23,869,000</u>	<u>22,919,479</u>

Description	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
WATER CIP (401)				
3810 Op Trfs in from Park Improvement	0	0	0	200,000
3815 Op Trfs in from Sewer Fund	0	0	125,000	0
3840 Appn Transfers in from Park Improvement	0	200,000	0	0
3854 Appn Tfr in from Transit Area Fund	0	0	0	2,075,000
3899 Op Trfs in from Subsidiary CIP Fund	5,992,772	4,540,000	22,885,000	15,171,700
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,000,000)	(5,415,000)	0	(1,400,000)
TOTAL (401)	<u>3,992,772</u>	<u>(675,000)</u>	<u>23,010,000</u>	<u>16,046,700</u>
WATER LINE EXTENSION FUND (402)				
3431 Pooled Investment Interest (Nonalloc)	328	6,296	0	0
3434 Pooled Interest Allocation	15,713	20,800	21,000	31,000
3710 Development	314,326	519,554	906,000	1,500,000
3790 Miscellaneous Other Revenue	9,621	9,621	9,000	9,000
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	1,200,000
3999 Op Trfs Out To the Subsidiary CIP Fund	(350,000)	0	(1,590,000)	(4,645,000)
TOTAL (402)	<u>(10,013)</u>	<u>556,271</u>	<u>(654,000)</u>	<u>(1,905,000)</u>
WATER BONDS (403)				
3970 Bond Proceeds	0	0	25,000,000	25,000,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(20,495,000)	(6,426,700)
TOTAL (403)	<u>0</u>	<u>0</u>	<u>4,505,000</u>	<u>18,573,300</u>
WATER INFRASTRUCTURE REPLMNT (405)				
3434 Pooled Interest Allocation	0	0	0	9,000
3629 Capital Surcharge	0	0	0	5,000,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(4,100,000)
TOTAL (405)	<u>0</u>	<u>0</u>	<u>0</u>	<u>909,000</u>
SEWER M & O FUND (450)				
3431 Pooled Investment Interest (Nonalloc)	6,920	58,376	6,000	0
3433 Other Interest Income	36,987	125,136	100,000	0
3434 Pooled Interest Allocation	96,244	168,567	135,000	232,000
3628 Sewer Service Charges	14,362,865	15,770,897	18,578,000	16,800,000
3790 Miscellaneous Other Revenue	78,439	72,133	64,000	64,000
3852 Appn Tfr in from General Gov't Fund	0	278,543	0	0
3901 Op Trfs Out To the General Fund	(1,527,385)	(1,575,000)	(1,641,000)	(1,685,000)
3909 Op Trfs Out To the Street Improvement Fund	(225,000)	(100,000)	(250,000)	(100,000)
3910 Op Trfs Out To the Park Improvement Fund	0	0	0	(500,000)
3912 Op Trfs Out To the Water Fund	0	0	(125,000)	0
3922 Op Trfs Out To the General Government Fund	0	0	(100,000)	(103,200)
3936 Appn Trfs out to Solid Waste Services	0	(80,000)	0	0
3981 Contributions-Proprietary Fund	4,472,066	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(6,015,000)	(2,315,000)	(4,440,000)	(7,855,000)
TOTAL (450)	<u>11,286,136</u>	<u>12,403,652</u>	<u>12,327,000</u>	<u>6,852,800</u>
SEWER CIP (451)				
3899 Op Trfs in from Subsidiary CIP Fund	10,015,000	3,815,000	6,440,000	11,305,000
3954 Appn Trfs Out Transit Area Fund	(1,739,081)	0	0	0
TOTAL (451)	<u>8,275,919</u>	<u>3,815,000</u>	<u>6,440,000</u>	<u>11,305,000</u>

Description	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
TREATMENT PLANT CONSTRUCTION (452)				
3431 Pooled Investment Interest (Nonalloc)	(2,745)	9,688	13,000	0
3434 Pooled Interest Allocation	50,775	50,720	57,000	66,000
3710 Development	420,818	692,545	994,200	1,000,000
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,500,000)	(1,500,000)	(1,000,000)	(3,250,000)
TOTAL (452)	<u>(2,031,152)</u>	<u>(747,047)</u>	<u>64,200</u>	<u>(2,184,000)</u>
SEWER 2006 COPS (453)				
3432 Cash with Fiscal Agents	1	1	0	0
TOTAL (453)	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>
SEWER INFRASTRTURE REPLMNT (455)				
3431 Pooled Investment Interest (Nonalloc)	(2,239)	6,176	0	0
3434 Pooled Interest Allocation	25,444	26,027	27,000	33,000
3710 Development	0	28,208	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(1,500,000)	0	(1,000,000)	(200,000)
TOTAL (455)	<u>(1,476,794)</u>	<u>60,411</u>	<u>(973,000)</u>	<u>(167,000)</u>
EQUIPMENT MGNT FUND (500)				
3431 Pooled Investment Interest (Nonalloc)	1,714	17,237	0	0
3433 Other Interest Income	3,872	34,033	0	0
3434 Pooled Interest Allocation	56,203	69,463	73,000	95,000
3558 Federal Contributions-Fire	0	40,145	0	0
3619 Rent,Lease & Concession-PW/Eng	1,200	1,200	0	0
3671 Public Works Service Charges	2,269,821	2,390,442	2,398,000	0
3672 Public Works Cost Recovery	61,298	0	0	0
3770 Sale of Property, Plant and Equipment	2,125	16,792	0	0
3790 Miscellaneous Other Revenue	0	158	0	0
3922 Op Trfs Out To the General Government Fund	(170,000)	0	0	(2,060,000)
3981 Contributions-Proprietary Fund	148,498	219,034	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(300,000)	0	0	0
TOTAL (500)	<u>2,074,732</u>	<u>2,788,503</u>	<u>2,471,000</u>	<u>(1,965,000)</u>
INFORMATION TEC REPLMT (505)				
3431 Pooled Investment Interest (Nonalloc)	14	173	0	0
3434 Pooled Interest Allocation	45	173	0	0
3601 General Government Service Charges	(7)	0	0	0
3801 Op Trfs in from General Fund	0	300,000	300,000	300,000
3899 Op Trfs in from Subsidiary CIP Fund	300,000	0	0	0
TOTAL (505)	<u>300,052</u>	<u>300,347</u>	<u>300,000</u>	<u>300,000</u>
PERMIT AUTOMATION FUND (506)				
3431 Pooled Investment Interest (Nonalloc)	264	4,189	0	0
3434 Pooled Interest Allocation	5,501	9,623	8,000	16,000
3601 General Government Service Charges	336,130	991,613	500,000	600,000
3922 Op Trfs Out To the General Government Fund	0	0	0	(200,000)
TOTAL (506)	<u>341,895</u>	<u>1,005,426</u>	<u>508,000</u>	<u>416,000</u>
TOTAL	<u>142,919,888</u>	<u>165,735,981</u>	<u>191,712,386</u>	<u>199,664,248</u>

History of Property Tax Revenue

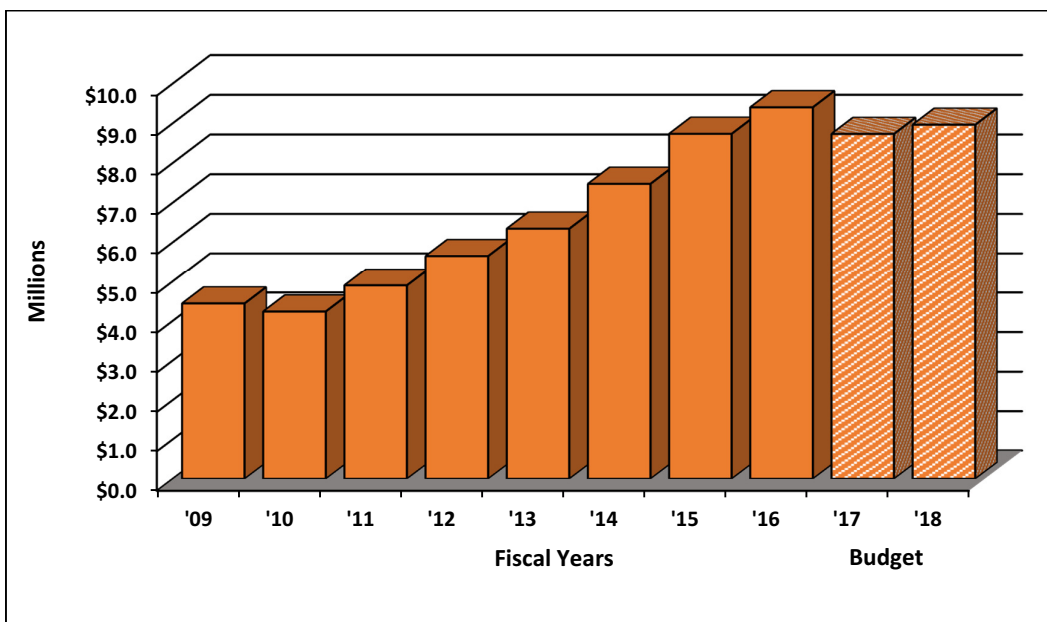
General Fund
2009 through 2018



Santa Clara County assesses and bills, collects and distributes property tax to the City

History of Transient Occupancy Tax Revenue

General Fund
2009 through 2018

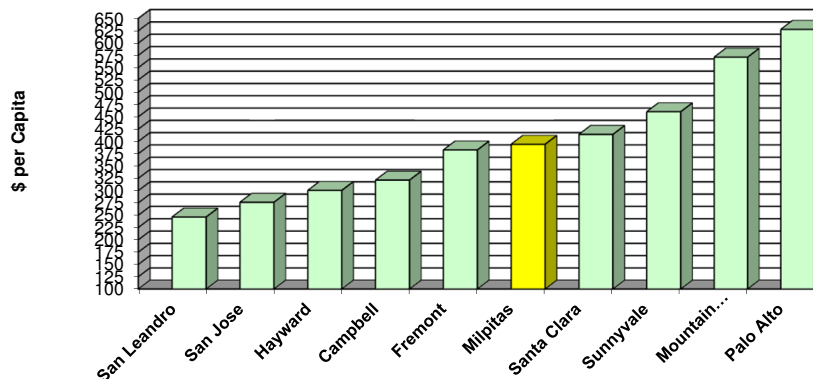


The City of Milpitas Transient Occupancy Rate is currently 10%

Property Tax, Comparison with Other Jurisdictions FY 2013-14 through FY 2017-18

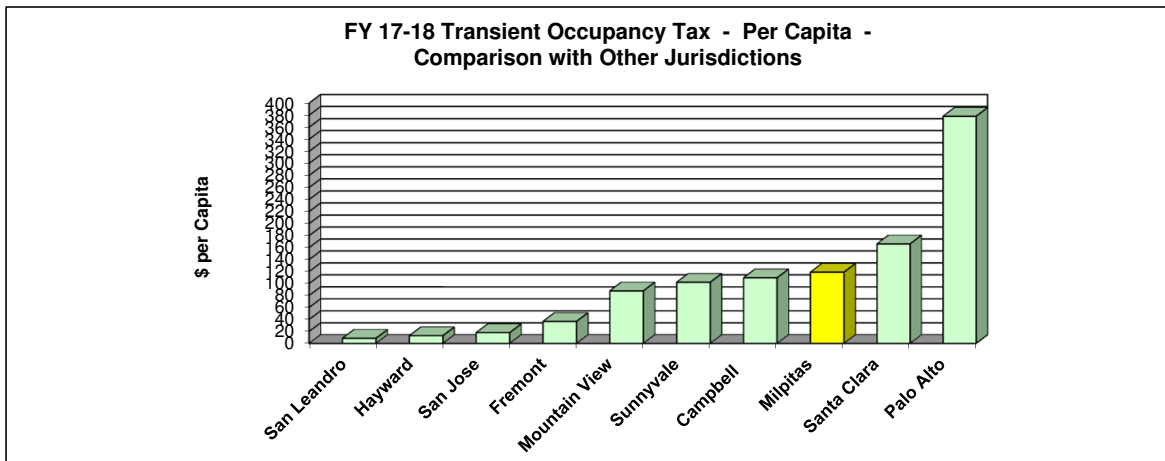
City	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budgeted 2016-17	Budgeted 2017-18
Milpitas	\$27,607,560	\$24,926,915	\$27,068,110	\$26,716,000	\$28,850,000
% of General Fund	38%	36%	35%	32%	32%
Per Capita	406.92	343.32	365.09	353.76	382.58
Campbell	\$10,195,501	\$11,240,729	\$12,075,059	\$13,118,000	\$13,785,000
% of General Fund	24%	25%	24%	27%	28%
Per Capita	252.53	267.68	283.56	307.03	321.33
Fremont	\$70,146,000	\$75,028,000	\$79,388,000	\$85,116,000	\$91,318,000
% of General Fund	48%	48%	43%	47%	48%
Per Capita	318.95	334.99	348.14	370.87	394.18
Hayward	\$38,971,000	\$42,128,306	\$44,159,000	\$47,733,980	\$48,912,000
% of General Fund	30%	32%	29%	33%	33%
Per Capita	270.28	286.27	277.55	296.41	300.33
Mountain View	\$31,120,547	\$35,173,321	\$39,460,578	\$40,208,100	\$45,285,200
% of General Fund	30%	33%	34%	34%	35%
Per Capita	408.08	458.10	506.46	515.98	571.22
Palo Alto	\$30,587,000	\$34,116,747	\$36,607,000	\$38,953,000	\$41,727,000
% of General Fund	18%	18%	19%	20%	20%
Per Capita	466.66	509.31	554.41	581.67	627.68
San Jose	\$233,644,896	\$247,258,146	\$263,299,078	\$271,737,000	\$288,990,000
% of General Fund	23%	24%	25%	28%	27%
Per Capita	237.55	247.13	255.62	260.76	276.26
San Leandro	\$18,514,127	\$18,900,000	\$20,044,219	\$21,319,000	\$21,745,380
% of General Fund	22%	21%	19%	21%	20%
Per Capita	215.15	216.72	228.55	242.59	246.34
Santa Clara	\$39,138,491	\$37,576,165	\$45,621,226	\$46,690,000	\$51,359,000
% of General Fund	23%	21%	23%	23%	23%
Per Capita	336.05	309.96	377.12	377.29	414.24
Sunnyvale	\$50,293,385	\$54,940,570	\$62,390,637	\$67,335,066	\$68,974,004
% of General Fund	31%	37%	35%	32%	41%
Per Capita	342.00	374.69	421.48	453.83	460.35

FY 17-18 Property Tax - Per Capita - Comparison with Other Jurisdictions



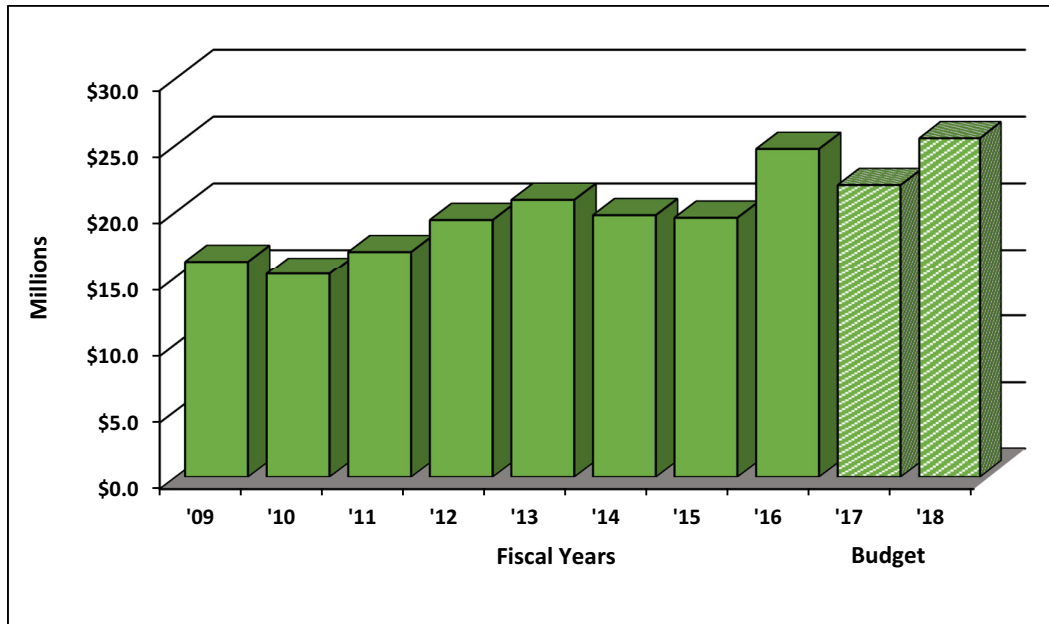
Transient Occupancy Tax, Comparison with Other Jurisdictions FY 2013-14 through FY 2017-18

City	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budgeted 2016-17	Budgeted 2017-18
Milpitas	\$7,473,691	\$8,733,319	\$9,401,800	\$8,731,000	\$8,962,000
% of General Fund	10%	13%	12%	11%	10%
Per Capita	110.16	120.28	126.81	115.61	118.84
Campbell	\$3,417,412	\$4,091,923	\$4,439,668	\$4,600,000	\$4,700,000
% of General Fund	8%	9%	9%	10%	10%
Per Capita	84.65	97.44	104.26	107.66	109.56
Fremont	\$6,155,000	\$7,181,000	\$8,087,000	\$9,165,000	\$8,502,000
% of General Fund	4%	5%	4%	5%	4%
Per Capita	27.99	32.06	35.46	39.93	36.70
Hayward	\$1,918,000	\$2,033,057	\$2,591,000	\$2,035,920	\$2,076,638
% of General Fund	1%	2%	2%	1%	1%
Per Capita	13.30	13.82	16.28	12.64	12.75
Mountain View	\$5,594,909	\$6,559,072	\$6,590,636	\$7,429,200	\$6,954,300
% of General Fund	5%	6%	6%	6%	5%
Per Capita	73.37	85.43	84.59	95.34	87.72
Palo Alto	\$12,255,000	\$16,699,331	\$22,366,000	\$23,134,000	\$25,143,000
% of General Fund	7%	9%	12%	12%	12%
Per Capita	186.97	249.30	338.73	345.45	378.22
San Jose	\$11,873,017	\$14,797,674	\$16,564,848	\$16,952,000	\$18,720,000
% of General Fund	1%	1%	2%	2%	2%
Per Capita	12.07	14.79	16.08	16.27	17.90
San Leandro	\$472,247	\$540,000	\$609,652	\$400,000	\$750,000
% of General Fund	1%	1%	1%	0%	1%
Per Capita	5.49	6.19	6.95	4.55	8.50
Santa Clara	\$15,140,910	\$17,843,363	\$20,034,096	\$20,000,000	\$20,600,000
% of General Fund	9%	10%	10%	10%	9%
Per Capita	130.00	147.19	165.61	161.61	166.15
Sunnyvale	\$10,858,671	\$14,137,069	\$16,295,589	\$16,798,573	\$15,294,653
% of General Fund	7%	9%	9%	8%	9%
Per Capita	73.84	96.41	110.08	113.22	102.08



History of Sales Tax Revenue

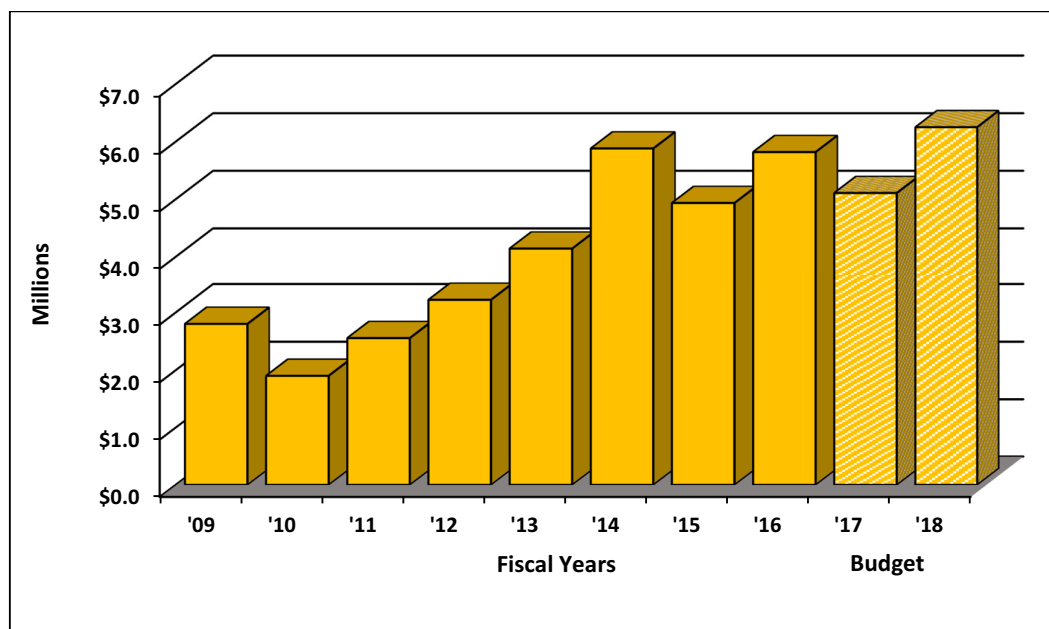
General Fund
2009 through 2018



Of the \$.0875 sales tax paid on every \$1 spent when shopping in Milpitas, \$.01 is returned to the City.

History of Building Permit Revenue

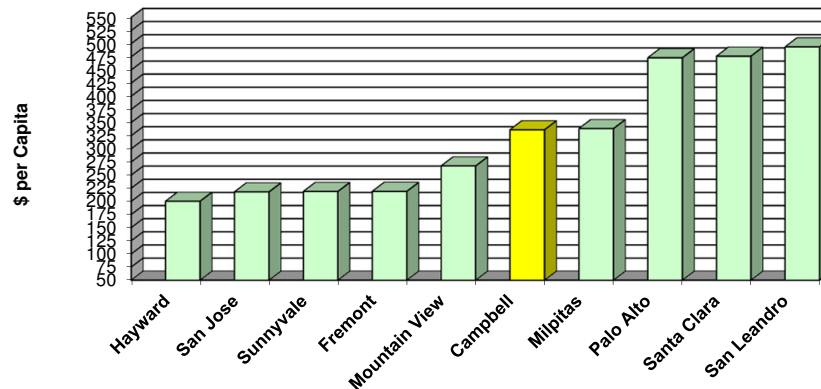
General Fund
2009 through 2018



Sales Tax, Comparison with Other Jurisdictions FY 2013-14 through FY 2017-18

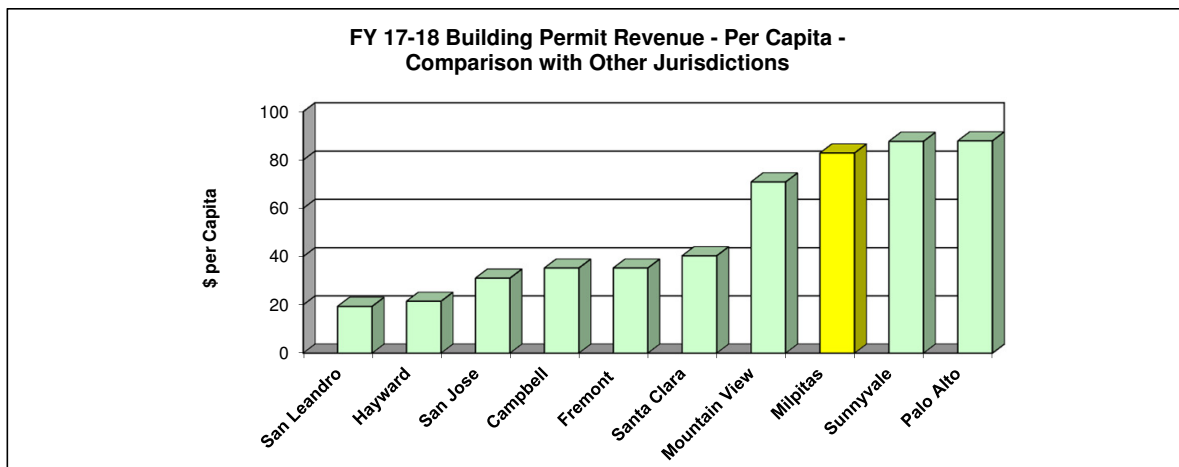
City	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budgeted 2016-17	Budgeted 2017-18
Milpitas	\$19,766,138	\$19,572,356	\$24,718,975	\$22,019,000	\$25,520,000
% of General Fund	27%	29%	32%	27%	28%
Per Capita	291.34	269.57	333.41	291.56	338.42
Campbell	\$13,115,263	\$13,915,291	\$14,818,496	\$14,132,000	\$14,423,000
% of General Fund	31%	31%	30%	29%	29%
Per Capita	324.85	331.37	347.98	330.76	336.20
Fremont	\$38,862,000	\$40,744,000	\$48,580,000	\$47,143,000	\$50,717,000
% of General Fund	27%	26%	26%	26%	26%
Per Capita	176.70	181.92	213.04	205.41	218.92
Hayward	\$31,019,000	\$31,058,161	\$33,059,000	\$33,401,000	\$32,609,000
% of General Fund	24%	23%	21%	23%	22%
Per Capita	215.13	211.05	207.78	207.41	200.23
Mountain View	\$16,935,660	\$19,773,384	\$21,401,425	\$20,090,800	\$21,194,100
% of General Fund	17%	18%	18%	17%	17%
Per Capita	222.08	257.53	274.68	257.82	267.34
Palo Alto	\$29,424,000	\$29,675,408	\$30,018,000	\$29,150,000	\$31,458,000
% of General Fund	17%	16%	15%	15%	15%
Per Capita	448.92	443.01	454.62	435.28	473.21
San Jose	\$173,411,643	\$180,406,910	\$201,797,183	\$224,695,553	\$228,000,000
% of General Fund	17%	17%	19%	23%	22%
Per Capita	176.31	180.31	195.91	215.62	217.96
San Leandro	\$29,097,614	\$32,900,000	\$42,336,643	\$41,144,000	\$43,598,300
% of General Fund	34%	36%	40%	41%	40%
Per Capita	338.14	377.25	482.74	468.17	493.90
Santa Clara	\$46,735,959	\$49,933,155	\$50,254,965	\$64,267,475	\$59,047,475
% of General Fund	27%	27%	26%	32%	27%
Per Capita	401.28	411.89	415.42	519.32	476.25
Sunnyvale	\$30,194,827	\$29,676,176	\$32,909,169	\$33,047,146	\$32,776,458
% of General Fund	19%	20%	18%	16%	19%
Per Capita	205.33	202.39	222.32	222.73	218.76

FY 17-18 Sales Tax - Per Capita - Comparison with Other Jurisdictions



Building Permit Revenue, Comparison with Other Jurisdictions FY 2013-14 through FY 2017-18

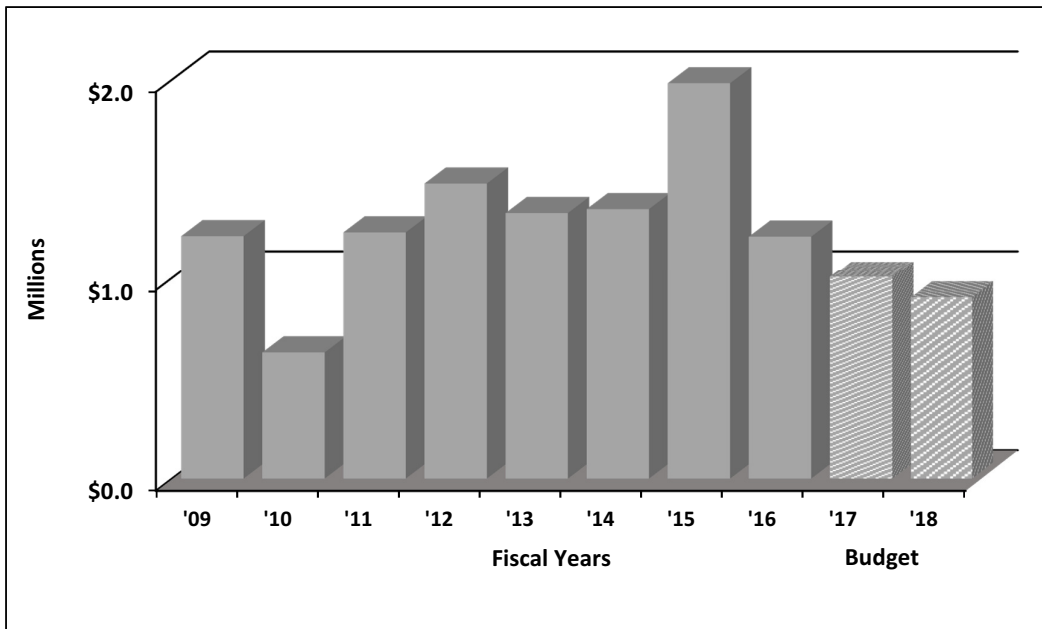
City	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budgeted 2016-17	Budgeted 2017-18
Milpitas	\$5,881,934	\$4,934,766	\$5,819,943	\$5,109,000	\$6,251,690
% of General Fund	8%	7%	8%	6%	7%
Per Capita	86.70	67.97	78.50	67.65	82.90
Campbell	\$1,857,564	\$1,180,622	\$2,488,271	\$1,689,000	\$1,512,000
% of General Fund	4%	3%	5%	4%	3%
Per Capita	46.01	28.11	58.43	39.53	35.24
Fremont *	\$6,433,000	\$783,842	\$8,696,988	\$8,050,639	\$8,458,000
% of General Fund	4%	1%	5%	4%	4%
Per Capita	29.25	3.50	38.14	35.08	36.51
Hayward	\$1,437,000	\$2,499,636	\$3,602,843	\$2,556,000	\$3,500,000
% of General Fund	1%	2%	2%	2%	2%
Per Capita	9.97	16.99	22.64	15.87	21.49
Mountain View *	\$5,545,293	\$6,222,485	\$6,409,790	\$6,100,000	\$5,621,000
% of General Fund	5%	6%	5%	5%	4%
Per Capita	72.72	81.04	82.27	78.28	70.90
Palo Alto	\$6,020,000	\$4,641,442	\$4,814,233	\$5,592,429	\$5,845,633
% of General Fund	4%	3%	2%	3%	3%
Per Capita	91.85	69.29	72.91	83.51	87.93
San Jose	\$32,457,234	\$27,437,791	\$30,506,052	\$27,500,000	\$32,500,000
% of General Fund	3%	3%	3%	3%	3%
Per Capita	33.00	27.42	29.62	26.39	31.07
San Leandro	\$1,598,457	\$1,410,000	\$1,734,799	\$1,345,000	\$1,710,000
% of General Fund	2%	2%	2%	1%	2%
Per Capita	18.58	16.17	19.78	15.30	19.37
Santa Clara	\$2,881,893	\$4,404,007	\$6,036,116	\$6,000,000	\$5,000,000
% of General Fund	2%	2%	3%	3%	2%
Per Capita	24.74	36.33	49.90	48.48	40.33
Sunnyvale *	\$11,734,734	\$12,154,616	\$17,240,132	\$15,811,702	\$13,143,909
% of General Fund	7%	8%	9%	7%	7%
Per Capita	79.80	82.89	116.47	106.57	87.72



* For the Cities of Fremont, Mountain View and Sunnyvale, building permits are not part of the General Fund revenues, but for comparison purposes, we included this revenue as part of the General Fund.

History of Intergovernmental Revenue

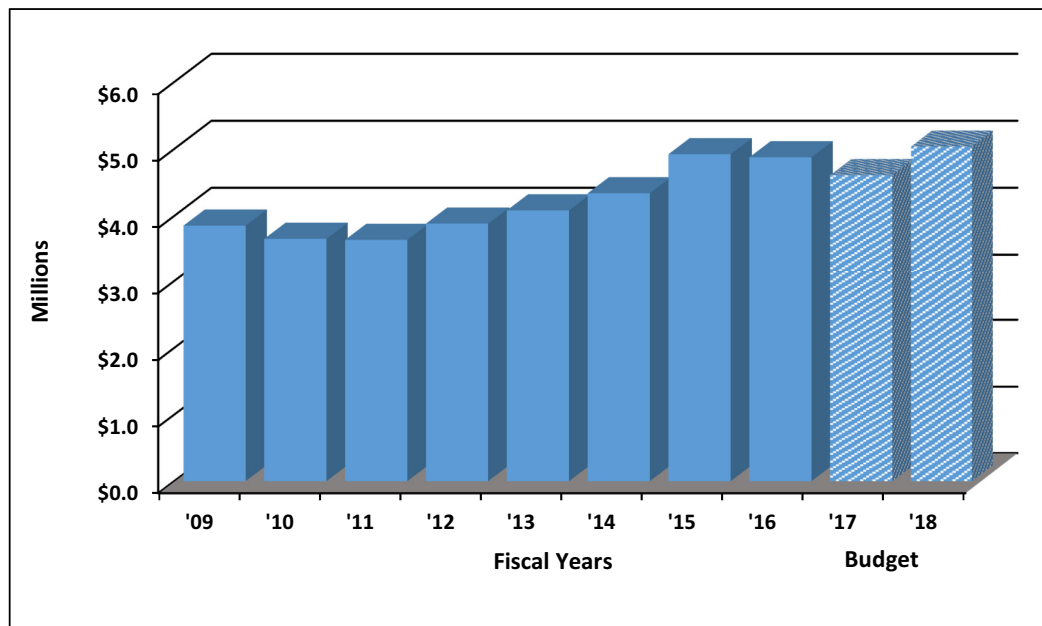
General Fund
2009 through 2018



Intergovernmental Revenues include: Motor Vehicle In-Lieu Tax and Miscellaneous Grants.

History of "Other" Tax Revenue

General Fund
2009 through 2018

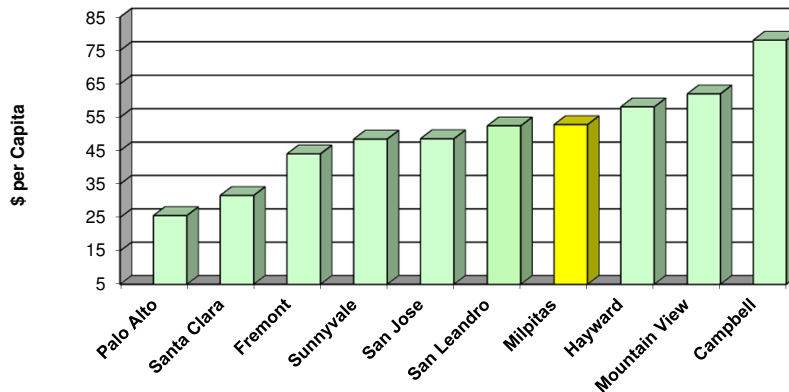


"Other" Tax Revenue include: Real Estate Transfer Tax, Franchise Fees and Business License Tax

Franchise Fees, Comparison with Other Jurisdictions FY 2013-14 through FY 2017-18

City	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budgeted 2016-17	Budgeted 2017-18
Milpitas	\$3,453,140	\$3,658,729	\$3,841,010	\$3,631,000	\$3,981,000
% of General Fund	5%	5%	5%	4%	4%
Per Capita	50.90	50.39	51.81	48.08	52.79
Campbell	\$2,917,263	\$3,322,031	\$3,319,602	\$3,310,000	\$3,349,413
% of General Fund	7%	7%	7%	7%	7%
Per Capita	72.26	79.11	77.95	77.47	78.07
Fremont	\$8,925,000	\$9,299,000	\$9,606,000	\$9,978,000	\$10,200,000
% of General Fund	6%	6%	5%	5%	5%
Per Capita	40.58	41.52	42.13	43.48	44.03
Hayward	\$9,765,000	\$10,128,000	\$10,139,000	\$9,362,220	\$9,462,000
% of General Fund	7%	8%	7%	6%	6%
Per Capita	67.73	68.82	63.73	58.14	58.10
Mountain View	\$4,364,961	\$4,529,685	\$4,704,290	\$4,811,920	\$4,914,940
% of General Fund	4%	4%	4%	4%	4%
Per Capita	57.24	58.99	60.38	61.75	62.00
Palo Alto¹	\$900,000	\$1,860,312	\$1,895,062	\$1,700,000	\$1,700,000
% of General Fund	1%	1%	1%	1%	1%
Per Capita	13.73	27.77	28.70	25.39	25.57
San Jose	\$45,748,758	\$46,908,554	\$48,948,942	\$48,916,811	\$50,813,083
% of General Fund	5%	4%	5%	5%	5%
Per Capita	46.51	46.88	47.52	46.94	48.57
San Leandro	\$4,581,921	\$4,800,000	\$4,968,614	\$4,507,340	\$4,627,447
% of General Fund	5%	5%	5%	4%	4%
Per Capita	53.25	55.04	56.65	51.29	52.42
Santa Clara	\$3,515,786	\$3,698,326	\$3,822,934	\$3,853,800	\$3,916,300
% of General Fund	2%	2%	2%	2%	2%
Per Capita	30.19	30.51	31.60	31.14	31.59
Sunnyvale	\$6,694,336	\$6,897,803	\$7,056,709	\$7,153,717	\$7,261,043
% of General Fund	4%	5%	4%	3%	4%
Per Capita	45.52	47.04	47.67	48.21	48.46

FY 17-18 Franchise Fee Revenue - Per Capita - Comparison with Other Jurisdictions



¹ Only cable franchise fees are included

Expenditures by Fund (Summary)

	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
100 General Fund	67,812,185	72,334,671	82,459,856	90,018,839
102 Measure I TOT	100,619	127,396	338,989	816,225
103 1452-1474 S. Main	32,913	35,193	40,363	40,363
105 Abandon Veh Abatement	84,397	79,609	22,500	22,500
150 Redevelopment Administration	194,021	160,732	125,996	100,479
211 H-Hetch Ground Lease	30,165	30,870	35,000	35,000
213 Public Art Fund-Nonrestricted	16,249	14,550	22,000	67,000
214 Community Planning Fee Fund	2,260	0	0	0
235 95-1 Lighting/Lscape Dist	231,630	225,650	238,939	259,336
236 98-1 Lighting/Lscape Dist	43,652	31,118	33,200	37,990
237 05 Community Fclty Dist	640,251	682,971	992,197	1,169,641
238 08 Community Fclty Dist	2,298	3,154	5,000	5,000
250 HCD Fund	413,162	413,762	400,000	400,000
251 HCD Loan	10,363	(4,034)	350,000	350,000
261 Supplemental Law Enforcement	171,793	66,791	0	0
262 State Asset Seizure	46,864	0	38,159	30,000
263 Federal Asset Seizure	22,075	29,855	38,159	30,000
269 Grant Fund	10,955	169,980	0	0
280 Solid Waste Services	678,282	773,294	715,929	870,408
295 Housing Authority	414,997	433,018	451,381	439,904
310 Street Fund	2,935	595	0	0
311 Street CIP	5,833,744	7,253,253	6,090,000	5,550,000
321 Park Improvement CIP	1,433,855	5,869,958	1,275,000	11,175,000
331 General Government CIP	1,582,690	1,722,389	5,058,256	11,091,840
341 Storm Drain CIP	343,275	308,901	1,365,000	1,515,000
350 Transit Area Impact Fee Fund	10,491,521	9,681,636	75,000	75,000
351 Transit Area Impact Fee CIP Fund	103,650	134,843	975,000	3,800,000
400 Water M & O Fund	17,735,953	16,099,089	23,342,865	25,306,655
401 Water CIP	608,374	3,644,260	23,010,000	16,046,700
450 Sewer M & O Fund	5,911,823	5,770,194	9,960,111	11,492,057
451 Sewer CIP	4,530,244	5,102,114	6,440,000	11,305,000
500 Equipment Mgnt Fund	2,224,661	2,193,638	2,114,405	2,116,862
505 Information Tec Replmt	226,111	238,928	157,500	157,500
506 Permit Automation Fund	281,850	301,002	795,420	864,935
TOTAL	<u>122,269,818</u>	<u>133,929,380</u>	<u>166,966,225</u>	<u>195,189,234</u>

Expenditures by Fund (Detail)						
Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
GENERAL FUND						
City Council	255,714	171,985	0	0	0	427,699
City Manager	632,447	78,626	0	0	0	711,073
City Clerk	507,870	37,000	0	0	0	544,870
Economic Development	649,213	193,980	0	0	0	843,193
City Attorney	170,698	562,900	0	0	0	733,598
Building Inspection Services	2,876,993	71,858	0	0	0	2,948,851
Plan Checking	788,030	17,950	0	0	0	805,980
Building Administration	268,988	20,830	0	0	0	289,818
Permit Center	693,445	5,450	0	0	0	698,895
Information Services	1,759,028	877,941	0	0	0	2,636,969
Human Resources	918,724	506,062	0	0	0	1,424,786
Recreation & Community Services Administration	1,100,369	121,041	0	0	0	1,221,410
Senior Citizen Services	589,451	244,094	0	0	0	833,545
Pre-K Enrichment	0	150,000	0	0	0	150,000
Youth Programs	577,075	53,329	0	0	0	630,404
Special Events	123,901	145,327	0	0	0	269,228
Marketing	156,386	44,000	0	0	0	200,386
Performing Arts	0	35,850	0	0	0	35,850
General Classes	0	266,759	0	0	0	266,759
Aquatics	350,153	16,496	0	0	0	366,649
Sports & Fitness	480,478	217,698	0	0	0	698,176
Adult Sports	0	11,860	0	0	0	11,860
Volunteer Services	0	7,500	0	0	0	7,500
Finance Administration	1,224,620	143,705	0	0	0	1,368,325
Finance Operations	1,598,754	45,530	0	0	0	1,644,284
Public Works Administration	685,591	28,091	0	0	0	713,682
Street Maintenance	827,373	284,593	0	0	0	1,111,966
Utility Engineering	0	0	0	0	0	0
Utility Maintenance	0	0	0	0	0	0
Park Maintenance	1,485	1,193,006	0	0	0	1,194,491
Trees & Landscape Mnt	659,244	200,135	0	0	0	859,379

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Facilities Maintenance	1,186,138	1,359,804	0	0	0	2,545,942
Engineering Administration	255,502	15,697	0	0	0	271,199
Design & Construction	740,060	20,788	0	0	0	760,848
Land Development	1,083,396	655,057	0	0	0	1,738,453
Traffic Engineering	279,829	96,739	0	0	0	376,568
Planning	1,803,760	38,310	0	0	0	1,842,070
Neighborhood Services	576,170	444,026	0	0	0	1,020,196
Police Administration	858,039	19,898	0	0	0	877,937
Records	1,390,751	199,825	0	0	0	1,590,576
Personnel & Training	306,679	163,589	0	0	0	470,268
Communications	3,397,605	303,000	0	0	0	3,700,605
Patrol Services	16,975,511	542,037	0	0	0	17,517,548
Traffic	1,748,441	90,656	0	0	0	1,839,097
Crossing Guards	444,522	2,000	0	0	0	446,522
Community Relations	563,701	14,963	0	0	0	578,664
Investigations	3,394,299	346,741	0	0	0	3,741,040
Fire Administration	571,328	52,931	0	0	0	624,259
A/B/C Battalions Operations	14,704,949	2,025,602	0	0	0	16,730,551
Disaster Prep & Public Ed	187,698	48,000	0	0	0	235,698
Prevention Div Admin	503,568	45,038	0	0	0	548,606
Fire Inspection, Plan Check & Investigation	1,961,784	62,440	10,000	0	0	2,034,224
Non-Departmental	2,717,100	4,161,242	0	0	0	6,878,342
Revenue	0	0	0	0	0	0
sub-total (100)	73,546,860	16,461,979	10,000	0	0	90,018,839
MEASURE I TOT						
City Council	0	470,052	0	0	0	470,052
Recreation & Community Services Administration	81,872	0	0	0	0	81,872
Special Events	50,242	20,000	0	0	0	70,242
Performing Arts	0	48,400	0	0	0	48,400
Facilities Maintenance	81,086	0	0	0	0	81,086
Non-Departmental	3,000	61,573	0	0	0	64,573
Revenue	0	0	0	0	0	0

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
sub-total (102)	216,200	600,025	0	0	0	816,225
1452-1474 S. MAIN						
Non-Departmental	0	40,363	0	0	0	40,363
sub-total (103)	0	40,363	0	0	0	40,363
ABANDON VEH ABATEMENT						
Traffic	22,500	0	0	0	0	22,500
sub-total (105)	22,500	0	0	0	0	22,500
REDEVELOPMENT ADMINISTRATION						
City Manager	9,740	0	0	0	0	9,740
City Clerk	1,148	0	0	0	0	1,148
City Attorney	1,288	0	0	0	0	1,288
Human Resources	3,142	0	0	0	0	3,142
Finance Administration	27,650	0	0	0	0	27,650
Finance Operations	18,211	0	0	0	0	18,211
Non-Departmental	0	39,300	0	0	0	39,300
sub-total (150)	61,179	39,300	0	0	0	100,479
H-HETCH GROUND LEASE						
Non-Departmental	0	35,000	0	0	0	35,000
sub-total (211)	0	35,000	0	0	0	35,000
PUBLIC ART FUND- NONRESTRICTED						
Non-Departmental	0	67,000	0	0	0	67,000
sub-total (213)	0	67,000	0	0	0	67,000
95-1 LIGHTING/LSCAPE DIST						
Street Maintenance	43,025	0	0	0	0	43,025
Trees & Landscape Mnt	81,296	126,315	0	0	0	207,611
Land Development	1,200	7,500	0	0	0	8,700
sub-total (235)	125,521	133,815	0	0	0	259,336
98-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	14,390	16,400	0	0	0	30,790
Land Development	1,200	6,000	0	0	0	7,200
sub-total (236)	15,590	22,400	0	0	0	37,990
05 COMMUNITY FCLTY DIST						
Street Maintenance	587,509	0	0	0	0	587,509
Park Maintenance	0	185,500	0	0	0	185,500

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Trees & Landscape Mnt	291,332	76,300	0	0	0	367,632
Non-Departmental	21,000	8,000	0	0	0	29,000
sub-total (237)	899,841	269,800	0	0	0	1,169,641
08 COMMUNITY FCLTY DIST						
Non-Departmental	0	5,000	0	0	0	5,000
sub-total (238)	0	5,000	0	0	0	5,000
HCD FUND						
Finance Operations	15,000	0	0	0	0	15,000
Neighborhood Services	0	378,000	0	0	0	378,000
Non-Departmental	0	7,000	0	0	0	7,000
sub-total (250)	15,000	385,000	0	0	0	400,000
HCD LOAN						
Neighborhood Services	0	350,000	0	0	0	350,000
sub-total (251)	0	350,000	0	0	0	350,000
STATE ASSET SEIZURE						
Investigations	0	0	30,000	0	0	30,000
sub-total (262)	0	0	30,000	0	0	30,000
FEDERAL ASSET SEIZURE						
Investigations	0	0	30,000	0	0	30,000
sub-total (263)	0	0	30,000	0	0	30,000
SOLID WASTE SERVICES						
City Manager	18,362	0	0	0	0	18,362
Public Works Administration	0	124	0	0	0	124
Land Development	284,722	523,500	0	0	0	808,222
Non-Departmental	8,000	35,700	0	0	0	43,700
sub-total (280)	311,084	559,324	0	0	0	870,408
HOUSING AUTHORITY						
Finance Operations	78,653	0	0	0	0	78,653
Neighborhood Services	272,290	2,000	0	0	0	274,290
Non-Departmental	0	86,961	0	0	0	86,961
sub-total (295)	350,943	88,961	0	0	0	439,904
STREET CIP						
Capital Improvement Projects	0	0	0	0	5,550,000	5,550,000
sub-total (311)	0	0	0	0	5,550,000	5,550,000

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
PARK IMPROVEMENT CIP						
Capital Improvement Projects	0	0	0	0	11,175,000	11,175,000
sub-total (321)	0	0	0	0	11,175,000	11,175,000
GENERAL GOVERNMENT CIP						
Capital Improvement Projects	0	0	0	0	11,091,840	11,091,840
sub-total (331)	0	0	0	0	11,091,840	11,091,840
STORM DRAIN CIP						
Capital Improvement Projects	0	0	0	0	1,515,000	1,515,000
sub-total (341)	0	0	0	0	1,515,000	1,515,000
TRANSIT AREA IMPACT FEE FUND						
Debt Service	0	0	0	75,000	0	75,000
sub-total (350)	0	0	0	75,000	0	75,000
TRANSIT AREA IMPACT FEE CIP FUND						
Capital Improvement Projects	0	0	0	0	3,800,000	3,800,000
sub-total (351)	0	0	0	0	3,800,000	3,800,000
RDA PROJECT FUND						
WATER M & O FUND						
City Manager	152,568	0	0	0	0	152,568
Finance Operations	737,084	146,695	30,000	0	0	913,779
Public Works Administration	434,354	495	0	0	0	434,849
Utility Engineering	737,358	645,750	0	0	0	1,383,108
Utility Maintenance	1,509,957	573,166	130,000	0	0	2,213,123
Engineering Administration	80,554	0	0	0	0	80,554
Land Development	33,012	0	0	0	0	33,012
Non-Departmental	267,400	18,328,262	0	0	0	18,595,662
Debt Service	0	0	0	1,500,000	0	1,500,000
sub-total (400)	3,952,287	19,694,368	160,000	1,500,000	0	25,306,655
WATER CIP						
Capital Improvement Projects	0	0	0	0	16,046,700	16,046,700
sub-total (401)	0	0	0	0	16,046,700	16,046,700
SEWER M & O FUND						
City Manager	152,568	0	0	0	0	152,568
Finance Operations	221,684	132,524	0	0	0	354,208
Public Works Administration	631,548	420	0	0	0	631,968

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Utility Engineering	645,587	116,600	0	0	0	762,187
Utility Maintenance	1,555,404	321,617	0	0	0	1,877,021
Engineering Administration	80,554	0	0	0	0	80,554
Land Development	49,496	0	0	0	0	49,496
Non-Departmental	209,400	6,687,655	0	0	0	6,897,055
Debt Service	0	0	0	687,000	0	687,000
sub-total (450)	<u>3,546,241</u>	<u>7,258,816</u>	<u>0</u>	<u>687,000</u>	<u>0</u>	<u>11,492,057</u>
SEWER CIP						
Capital Improvement Projects	0	0	0	0	11,305,000	11,305,000
sub-total (451)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,305,000</u>	<u>11,305,000</u>
EQUIPMENT MGNT FUND						
Fleet Maintenance	803,077	966,926	0	0	0	1,770,003
Non-Departmental	25,000	58,533	0	0	0	83,533
Equipment to be Depreciated	0	0	263,326	0	0	263,326
sub-total (500)	<u>828,077</u>	<u>1,025,459</u>	<u>263,326</u>	<u>0</u>	<u>0</u>	<u>2,116,862</u>
INFORMATION TEC REPLMT						
Information Services	0	0	157,500	0	0	157,500
sub-total (505)	<u>0</u>	<u>0</u>	<u>157,500</u>	<u>0</u>	<u>0</u>	<u>157,500</u>
PERMIT AUTOMATION FUND						
Plan Checking	172,540	0	0	0	0	172,540
Building Administration	47,478	0	0	0	0	47,478
Permit Center	0	75,000	0	0	0	75,000
Information Services	265,566	266,539	0	0	0	532,105
Land Development	21,812	0	0	0	0	21,812
Prevention Div Admin	0	16,000	0	0	0	16,000
sub-total (506)	<u>507,396</u>	<u>357,539</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>864,935</u>
TOTAL	<u>84,398,719</u>	<u>47,394,149</u>	<u>650,826</u>	<u>2,262,000</u>	<u>60,483,540</u>	<u>195,189,234</u>

Blank Page

Expenditures by Function

Function	General Fund	Housing Authority	Water Fund	Sewer Fund	Other Funds	Total
City Council	427,699	-	-	-	470,052	897,751
City Manager	720,813	-	152,568	152,568	28,102	1,054,051
City Clerk	546,018	-	-	-	1,148	547,166
Economic Development	843,193	-	-	-	-	843,193
City Attorney	734,886	-	-	-	1,288	736,174
Building Inspection Services	2,948,851	-	-	-	-	2,948,851
Plan Checking	805,980	-	-	-	172,540	978,520
Building Administration	289,818	-	-	-	47,478	337,296
Permit Center	698,895	-	-	-	75,000	773,895
Information Services	2,636,969	-	-	-	689,605	3,326,574
Human Resources	1,427,928	-	-	-	3,142	1,431,070
Recreation Administration	1,221,410	-	-	-	81,872	1,303,282
Senior Citizen Services	833,545	-	-	-	-	833,545
Pre-K Enrichment	150,000	-	-	-	-	150,000
Youth Programs	630,404	-	-	-	-	630,404
Special Events	269,228	-	-	-	70,242	339,470
Marketing	200,386	-	-	-	-	200,386
Performing Arts	35,850	-	-	-	48,400	84,250
General Classes	266,759	-	-	-	-	266,759
Aquatics	366,649	-	-	-	-	366,649
Sports & Fitness	698,176	-	-	-	-	698,176
Adult Sports	11,860	-	-	-	-	11,860
Volunteer Services	7,500	-	-	-	-	7,500
Finance Administration	1,395,975	-	-	-	27,650	1,423,625
Finance Operations	1,662,495	78,653	913,779	354,208	33,211	3,042,346
Public Works Administration	713,682	-	434,849	631,968	124	1,780,623
Street Maintenance	1,111,966	-	-	-	630,534	1,742,500
Utility Engineering	-	-	1,383,108	762,187	-	2,145,295
Utility Maintenance	-	-	2,213,123	1,877,021	-	4,090,144
Park Maintenance	1,194,491	-	-	-	185,500	1,379,991
Trees & Landscape Mnt	859,379	-	-	-	606,033	1,465,412
Fleet Maintenance	-	-	-	-	1,770,003	1,770,003
Facilities Maintenance	2,545,942	-	-	-	81,086	2,627,028
Engineering Administration	271,199	-	80,554	80,554	-	432,307
Design & Construction	760,848	-	-	-	-	760,848
Land Development	1,738,453	-	33,012	49,496	845,934	2,666,895
Traffic Engineering	376,568	-	-	-	-	376,568
Planning	1,842,070	-	-	-	-	1,842,070
Neighborhood Services	1,020,196	274,290	-	-	728,000	2,022,486
Police Administration	877,937	-	-	-	-	877,937
Records	1,590,576	-	-	-	-	1,590,576
Personnel & Training	470,268	-	-	-	-	470,268
Communications	3,700,605	-	-	-	-	3,700,605
Community Relations	578,664	-	-	-	-	578,664
Patrol Services	17,517,548	-	-	-	-	17,517,548
Traffic	1,861,597	-	-	-	22,500	1,884,097
Crossing Guards	446,522	-	-	-	-	446,522

Financial Information Expenditures by Function

Function	General Fund	Housing Authority	Water Fund	Sewer Fund	Other Funds	Total
Investigations	3,741,040	-	-	-	60,000	3,801,040
Fire Administration	624,259	-	-	-	-	624,259
A/B/C Battalions Operations	16,730,551	-	-	-	-	16,730,551
Prevention Div Admin	548,606	-	-	-	16,000	564,606
Fire Insp, Plan Check & Invg	2,034,224	-	-	-	-	2,034,224
Disaster Prep & Public Ed	235,698	-	-	-	-	235,698
Non-Departmental	6,958,005	86,961	18,595,662	6,897,055	414,469	32,952,152
Debt Service	-	-	1,500,000	687,000	75,000	2,262,000
Equipment to be dprciated	-	-	-	-	263,326	263,326
Capital Improvement Project	-	-	16,046,700	11,305,000	32,968,498	60,320,198
TOTAL	<u>90,182,181</u>	<u>439,904</u>	<u>41,353,355</u>	<u>22,797,057</u>	<u>40,416,737</u>	<u>195,189,234</u>

Internal Cost Allocation by Function Schedule

Indirect Costs					
	Police	Fire	Water	Sewer	Solid Waste
Legislation & Policy	20,367	38,697	54,990	12,220	18,330
General Administration					
City Manager	140,401	140,401	140,401	140,401	70,200
City Clerk	26,001	49,402	70,202	15,601	23,401
City Attorney	149,274	22,965	45,930	34,448	22,965
Human Resources	504,599	296,563	91,403	81,665	6,861
General Liability	228,830	134,488	41,450	37,034	3,111
Financial Services	860,335	601,027	713,232	384,307	24,600
Information Technology					
Citywide Support	850,776	500,018	154,110	137,691	11,568
Telephones	47,466	8,494	5,496	5,496	500
Cell Phones	6,395	5,233	4,070	4,651	
Retiree Medical Reserve and Other Non-Department					
Salaries & Benefits	570,225	398,357	472,725	254,716	16,305
Leave Cashout	300,750	195,590	19,918	15,934	
Audit Fees	21,532	15,042	17,851	9,618	616
Uncollectible Accounts/ Collection Fee	2,133	337	13,464	12,882	2,272
Contingent Reserve	245,305	171,369	203,362	109,576	7,014
Contractual Services	33,481	23,390	27,756	14,956	957
Facilities Maintenance	545,107	385,559	186,658	137,651	6,329
Utilities	558,499	395,031	191,244	141,033	6,484
Building Occupancy - Direct			45,739	50,899	19,150
Building Occupancy - Indirect	517,299	304,027	93,704	83,721	7,033
TOTAL INDIRECT COSTS	5,628,776	3,685,986	2,593,705	1,684,501	247,696
TOTAL DIRECT COSTS	30,440,402	21,265,555	25,235,580	13,597,575	870,408
TOTAL COSTS	36,069,177	24,951,541	27,829,285	15,282,076	1,118,104
INDIRECT COST RATE	18.5%	17.3%	10.3%	12.4%	28.5%

Note: In computing cost allocation, building occupancy cost was included and certain costs funded by designated revenue stream or special funds such as Measure I TOT, LLMD, CFD, TASP, Public Art, CDBG and Permit Automation Fee were excluded from the calculation.

DIRECT COST PROGRAMS					
Building & Safety	Recreation	Public Works	Engineering	Planning & Neighborhood Services	TOTAL
8,147	46,843	26,477	150,713	50,917	427,699
140,401	140,401	210,601	70,200	210,601	1,404,006
10,400	59,802	33,801	192,406	65,002	546,018
11,483	11,483	57,413	57,413	321,513	734,886
84,100	69,714	153,593	68,608	70,821	1,427,928
38,138	31,615	69,653	31,113	32,117	647,549
137,154	131,265	175,695	33,906	94,967	3,156,488
141,796	117,541	258,964	115,676	119,407	2,407,547
7,994	10,493	8,494	7,994	6,995	109,422
9,884	4,070	11,628	2,907	1,163	50,000
90,905	87,001	116,450	22,473	62,943	2,092,100
12,768	10,045	22,412	70,177	2,406	650,000
3,433	3,285	4,397	849	2,377	79,000
4	422	2,205	2,262	15,019	51,000
39,106	37,427	50,095	9,667	27,078	900,000
5,338	5,108	6,837	1,319	3,696	122,839
36,105	888,300	224,666	65,396	44,149	2,519,920
36,992	910,122	230,185	67,003	45,234	2,581,826
		(71,104)	(44,684)		
86,217	71,469	157,459	70,335	72,603	1,463,866
900,364	2,636,406	1,749,921	995,732	1,249,005	21,372,094
4,852,797	4,644,415	6,216,455	1,199,658	3,360,110	111,682,954
5,753,161	7,280,821	7,966,376	2,195,391	4,609,115	133,055,048
18.6%	56.8%	28.1%	83.0%	37.2%	19.1%

Operating Transfers Statement

Origin and Purpose of Transfer		Transfer Distribution
From the General Fund	To Other Miscellaneous Funds for:	
	Capital Reserve IT Equipment Replacement	300,000
	sub-total	300,000
From the Measure I TOT	To the Street Improvement Fund for:	
	Street Resurfacing Project 2018 (4287)	1,600,000
	sub-total	1,600,000
From the Community Planning Fee Fund	To the General Government Fund for:	
	City General Plan Update (3416)	200,000
	sub-total	200,000
From the Gas Tax Fund	To the Street Improvement Fund for:	
	Light LED Conversion Improvements (4266)	200,000
	ADA Curb Ramp Transition Program 2016 (4283)	300,000
	Minor Traffic Improvements 2016 (4279)	100,000
	Street Resurfacing Project 2018 (4287)	1,300,000
	Traffic Studies & Minor Improvements (4288)	100,000
	sub-total	2,000,000
From the 95-1 Lighting/Lscape Dist	To the General Government Fund for:	
	McCarthy Blvd Landscape & Lighting (3402)	100,000
	sub-total	100,000
From the 08 Community Fclty Dist	To the General Fund for:	
	Operating Cost Reimbursement	900,000
	sub-total	900,000
From the Solid Waste Services	To the General Fund for:	
	Operating Cost Reimbursement	248,000
	sub-total	248,000
From the Street Fund	To the Water Fund for:	
	Water Conservation Program (7126)	200,000
	sub-total	200,000
* From the Street CIP	To the Subsidiary CIP Fund for:	
	Defunding Dixon Landing Rd Plan Line (4253)	50,000
	sub-total	50,000
* From the Vehicle Registration Fee	To the Subsidiary CIP Fund for:	
	Street Resurfacing Project 2018 (4287)	500,000
	sub-total	500,000

Origin and Purpose of Transfer	Transfer Distribution
* From the Park Improvement Fund	To the Subsidiary CIP Fund for: Creighton Park Renovation (5109) 1,400,000 Park Irrigation Sys Repair & Improvements (5098) 100,000 Sandalwood Park Renovation (5110) 1,275,000 Sports Center Skate Park (5111) 750,000 Sports Fields Turf Rehab Program (5108) 100,000 sub-total 3,625,000
* From the Midtown Park Fund	To the Subsidiary CIP Fund for: Main Street Park (5107) 1,375,000 Sports Center Skate Park (5111) 900,000 sub-total 2,275,000
* From the General Government	To the Park Improvement Fund for: Alviso Adobe Renovation (5055) 525,000 Sports Fields Turf Rehabilitation Program (5108) 125,000 Sports Center Skate Park (5111) 875,000 sub-total 1,525,000
* From the General Government	To the Storm Drain Fund for: Storm Drain System Rehab 17-19 (3715) 400,000 sub-total 400,000
* From the General Government	To the Street Improvement Fund for: Soundwall and Barrier Repair and Renovation (4267) 300,000 Street Resurfacing Project 2018 (4287) 991,917 sub-total 1,291,917
* From the General Government	To the Subsidiary CIP Fund for: Fire Station Improvement (3403) 195,000 City Building Improvement (3406) 300,000 City Bldg Exterior & Repairs (3414) 800,000 PD Communications (3415) 3,785,000 city Bldg Roofing Repairs (3422) 100,000 Technology Projects (3427) 350,000 Annual Tree Replacement Program (3432) 200,000 2018-19 Finance System Upgrade (3435) 300,000 City Bldg ADA Compliance Review (3436) 110,000 Midtown Specific Plan Update (3437) 260,000 Citywide Park Playground Rehab (3424) 200,000 Annual Sidewalk Curb & Gutter Repair (3426) 278,640

Origin and Purpose of Transfer	Transfer Distribution
Midtown Street Light Project (3430)	1,550,000
Annual Street and Signal Light Repair Program (3440)	100,000
sub-total	8,528,640
* From the Storm Drain Development	To the Subsidiary CIP Fund for:
Storm Drain System Rehabilitation (3700)	65,000
Flap Gate Replacement (3714)	50,000
Storm Drain System Rehab 17-19 (3715)	1,000,000
sub-total	1,115,000
* From the Transit Area Impact Fee Fund	To the Park Improvement Fund for:
McCandless Park (5102)	3,250,000
sub-total	3,250,000
* From the Transit Area Impact Fee Fund	To the Subsidiary CIP Fund for:
Montague Expwy Pedestrian Overcrossing at Piper (2008)	1,100,000
sub-total	1,100,000
From the Transit Area Impact Fee Fund	To the Water Fund for:
Well Upgrade Project (7076)	2,075,000
sub-total	2,075,000
From the Water M & O Fund	To the General Fund for:
Operating Cost Reimbursement	2,594,000
sub-total	2,594,000
* From the Water CIP	To the Subsidiary CIP Fund for:
Defunding Water Conservation Program (7126)	200,000
sub-total	200,000
* From the Water CIP	To the Subsidiary CIP Fund for:
Defunding Recycled Water Pipeline Infill (7128)	1,200,000
sub-total	1,200,000
* From the Water Line Extension Fund	To the Subsidiary CIP Fund for:
Well Upgrade Project (7076)	1,925,000
Aging Water System Seismic Improvement (7100)	1,700,000
Hydrant Replacement Program (7110)	70,000
Automated Water Meter Replacement (7121)	500,000
Annual Water Distribution Rehab Program (7132)	300,000

Origin and Purpose of Transfer	Transfer Distribution
Minor Water Projects (7133)	50,000
Water O&M Database Management (7134)	100,000
sub-total	4,645,000
* From the Water Bonds	To the Subsidiary CIP Fund for:
Aging Water System Seismic Improvements (7100)	4,700,000
Automated Water Meter Replacement (7121)	1,726,700
sub-total	6,426,700
* From the Water Infrastructure Replmnt	To the Subsidiary CIP Fund for:
Recycled Water Pipeline Segment 1 (7129)	3,750,000
Annual Water Distribution Rehab Program (7132)	300,000
Minor Water Projects (7133)	50,000
sub-total	4,100,000
From the Sewer M & O Fund	To the General Fund for:
Operating Cost Reimbursement	1,685,000
sub-total	1,685,000
From the Sewer M & O Fund	To the General Government Fund for:
Annual Sidewalk Curb & Gutter Repair (3426)	103,200
sub-total	103,200
From the Sewer M & O Fund	To the Park Improvement Fund for:
Sports Center Skate Park (5111)	500,000
sub-total	500,000
From the Sewer M & O Fund	To the Street Improvement Fund for:
Street Resurfacing Project 2018 (4287)	100,000
sub-total	100,000
* From the Sewer M & O Fund	To the Subsidiary CIP Fund for:
Minor Sewer Projects (6126)	50,000
Sanitary Sewer Condition Assessment (6119)	100,000
Sanitary Sewer Overflow Improvement (6123)	75,000
Sanitary Supervisory Control & Data Acquisition (6127)	450,000
Sewer Main Replacement Study 2018 (6128)	115,000
Sewer Pump Station Treatment Improv. (6125)	400,000
Sewer System Hydraulic Modeling 17-19 (6129)	100,000
SJ/Santa Clara Regional Waste Water (6118)	6,565,000
sub-total	7,855,000

Origin and Purpose of Transfer		Transfer Distribution
* From the Treatment Plant Construction	To the Subsidiary CIP Fund for:	
	SJ/Santa Clara Regional Waste Water (6118)	3,250,000
	sub-total	<u>3,250,000</u>
* From the Sewer Infrastructure Replmnt	To the Subsidiary CIP Fund for:	
	Sewer Pump Station Rehab Program (6124)	200,000
	sub-total	<u>200,000</u>
From the Equipment Mgmt Fund	To the General Government Fund for:	
	Fire Apparatus Replacement Plan (3433)	2,060,000
	sub-total	<u>2,060,000</u>
From the Permit Automation Fund	To the General Government Fund for:	
	Permitting Technology Improvements (3434)	200,000
	sub-total	<u>200,000</u>
TOTAL TRANSFERS:		<u><u>66,402,457</u></u>

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

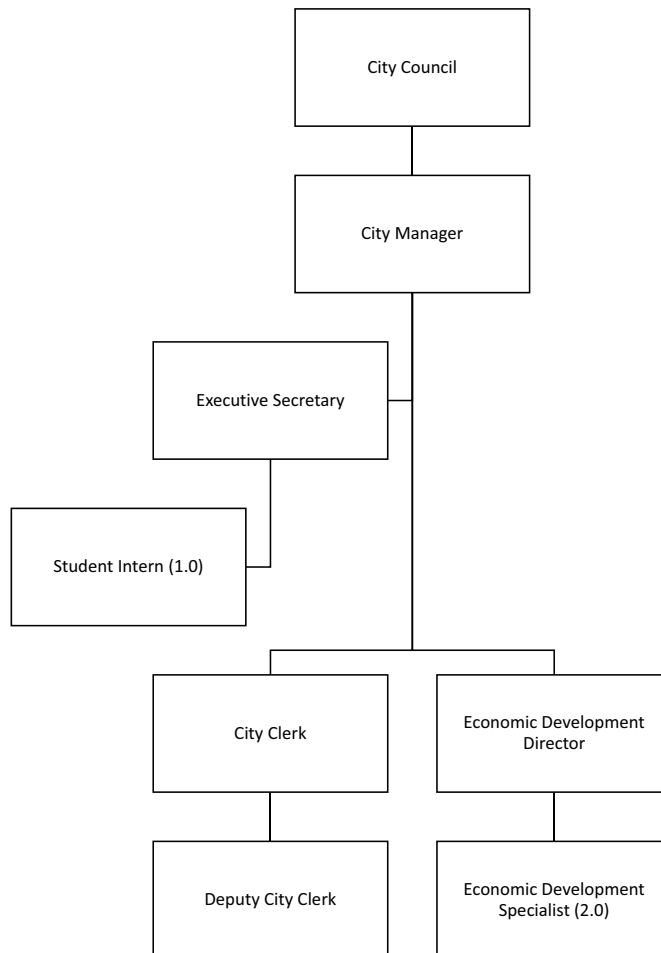
Mission

The City Council serves as the informed, legislative governing body of the City on all issues, provides guidance in assessing the needs of the community and policy direction for the development of programs and provision of services to the citizens of Milpitas.

The division of the City Manager's Department assist the public in accessing their local government and supports the City Council and City Departments in providing the highest quality services. The Department is committed to being proactive to the changing needs of the public and City Department.

Functions

City Council
City Manager
City Clerk
Economic Development



Blank Page

FUNCTION: City Council	MAYOR: Rich Tran
-------------------------------	-------------------------

Description: This function provides the administration of City government in an efficient and effective manner according to the general policy guidelines of the City Council and recommends strategies and solutions to issues for Council consideration.

Services

- Serves as governing body of the City.
- Provides legislative direction to the City.
- Promulgates policies for provision of services and direction for the City.
- Enacts ordinances and resolutions necessary for governing the affairs of the City.
- Adopts the Annual Operating Budget and Capital Improvement Plan.
- Serves as City Representatives at public events and functions.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016-2017 Accomplishments					
1. Developed long-term fiscal planning policies.	x	x	x	x	
2. Launched Citywide Strategic Plan.	x	x	x	x	
3. Provided comprehensive policy direction for the City's operation	x	x	x	x	
4. Established Citywide priorities for fiscal year 2017-18	x	x	x	x	x
5. Provided sound fiscal policies and economic stability for the City.	x	x	x	x	
6. Reviewed and adopted policies to increase efficiency for service delivery	x	x	x	x	
7. Provided leadership and guidance to regional commissions and city commissions	x	x		x	
8. Community Meetings to share information	x	x	x	x	x
2017-18 Goals					
1. Provide comprehensive policy direction for the City's operation	x		x	x	x
2. Continue to establish citywide priorities for fiscal year 2017-18 & 2018-19	x		x	x	
3. Provide sound fiscal policies to increase efficiency for service delivery	x		x	x	
4. Review and adopt policies to increase efficiency for service delivery	x		x	x	
5. Affordable Housing Policies.	x			x	
6. Transportation and Traffic Policies	x			x	x
7. Enterprise fund policies and priorities	x		x	x	
8. Continue community meetings and innovative social media outreach to share information	x	x	x	x	x

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
City Council Meetings	30	34	41	45
Commission Meetings	110	115	106	107
Subcommittee Meetings	18	18	18	15
County/Regional Agency/Association Meetings	72	72	70	70

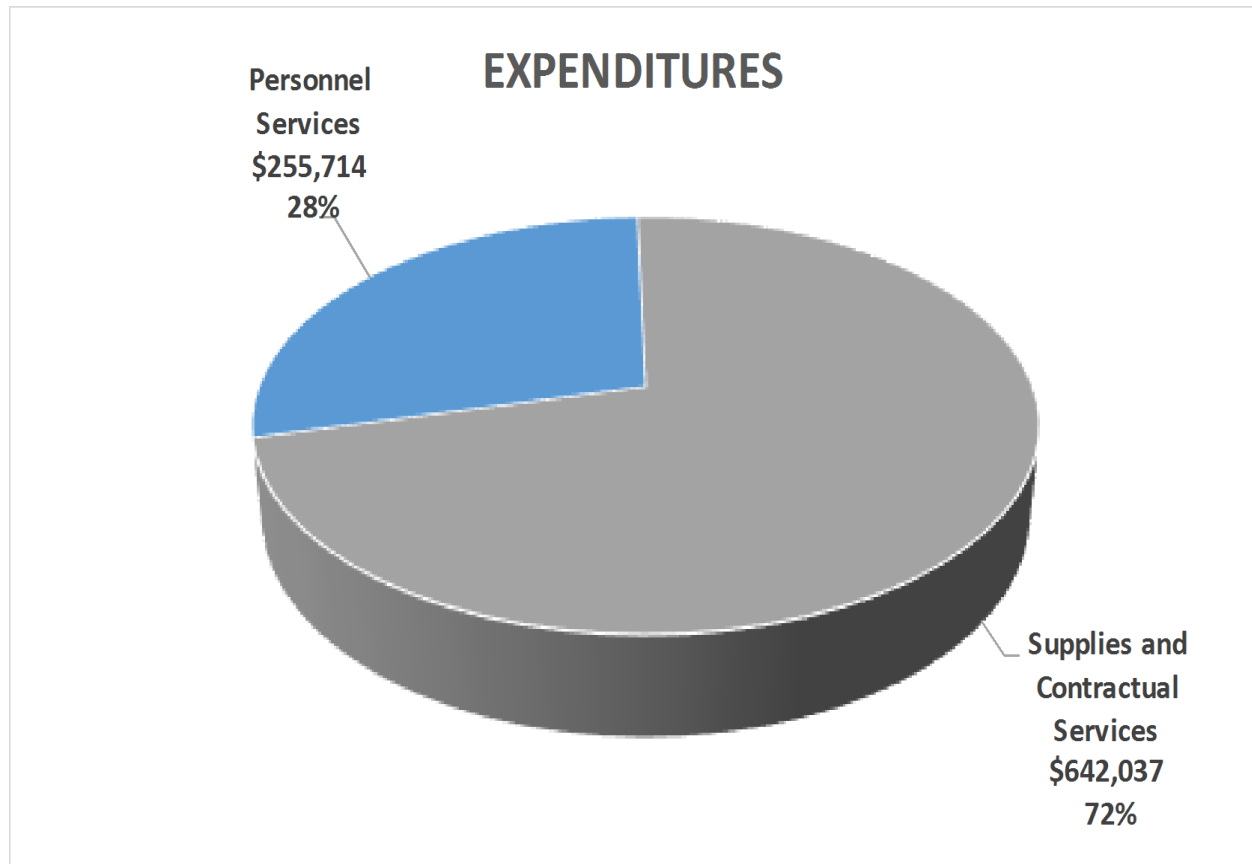
Permanent Personnel Allotment of 5 FTE

Position	Auth FTE	Funded	Unfunded		Auth FTE	Funded	Unfunded
Council Members	5	5					
				TOTAL	5	5	

Staff Changes(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increase in PERS contribution rate.
Services and Supplies / Community Promotions	Increase attributed to funding of additional library hours.
Capital Outlay	None



	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	56,880	56,770	56,994	63,584
4112 Temporary Salaries	2,425	2,625	19,200	4,800
4121 Allowances	37,198	39,351	50,700	50,700
4131 PERS	12,609	8,001	22,114	26,638
4132 Group Insurance	434	1,647	109,200	107,520
4133 Medicare	1,115	1,262	1,434	1,774
4135 Worker's Compensation	176	221	296	410
4139 PARS	445	1,892	66	288
4151 Compensation Reduction	(3,692)	0	0	0
sub-total	<u>107,591</u>	<u>111,769</u>	<u>260,004</u>	<u>255,714</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	25,901	30,183	59,767	48,040
4220 Supplies	3,934	5,490	4,500	4,500
4230 Services	10,500	34	25,000	501,652
4501 Memberships and Dues	47,666	37,218	56,145	57,145
4503 Training	8,237	6,153	10,600	11,500
4520 Commissions and Boards	3,224	18,755	18,000	19,200
sub-total	<u>99,462</u>	<u>97,833</u>	<u>174,012</u>	<u>642,037</u>
CAPITAL OUTLAY				
TOTAL	<u><u>207,053</u></u>	<u><u>209,601</u></u>	<u><u>434,016</u></u>	<u><u>897,751</u></u>

FUNCTION: City Manager	INTERIM CITY MANAGER: Steve Pangelinan
-------------------------------	-----------------------------------------------

Description: This function provides the administration of City government in an efficient and effective manner according to the general policy guidelines of the City Council and recommends strategies and solutions to issues for Council consideration.

Services

- Administers the operations of City government and the Successor Agency resulting from the dissolution of Redevelopment Agency.
- Implements the City's general policy guidelines.
- Submits for adoption a balanced budget that identifies all the anticipated revenues and expenditures.
- Recommends strategies and solutions to City Council.
- Follows legislative activities of federal, state, regional and local political bodies and keeps Council apprised of the potential impact to the City.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016-2017 Accomplishments					
1. Negotiated the final contract and agreement with two companies for solid waste, collection and disposal services.	x		x	x	
2. Implemented City Council priorities for fiscal year 2016-17.	x		x	x	
3. Achieved "AAA" rating from S&P and Fitch for City's strong economic base as well as the City's moderate liabilities and strong financial management policies and practices.	x		x	x	x
4. Provided leadership to municipal organization.	x	x	x	x	
5. Continued showing fiscal management that limited expenditures with revenue.	x		x	x	
6. Completed Citywide Strategic Planning Process.	x	x		x	
7. Continued to reorganize City departments and divisions to improve staff utilization, increase efficiency, accountability and savings to the City.	x		x	x	
8. Continued to implement the roadmap to service improvement project resulting in improved permit turn-around time and customer satisfaction.	x		x	x	
9. Continued to improve the economic base of the City.	x		x	x	
10. Developed leadership training program, succession planning.	x	x	x	x	x
2017-18 Goals					
1. Implement City Council priorities for fiscal year 2017-2018.	x		x	x	
2. Provide leadership to municipal organization.	x	x	x	x	
3. Continue to improve service delivery, permit streamlining and customer satisfaction.	x		x	x	
4. Continue to implement financial strategies that ensure cost effective service delivery.	x		x	x	
5. Continue to improve the economic base and fiscal health of the City.	x		x	x	
6. Implement social media and other communication tools for greater citizen outreach.	x	x	x	x	x
7. Innovation and entrepreneurial strategies for improved government services.	x		x	x	

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
City Council Meetings	30	34	41	45
Capital Improvement Program Projects Completed	10	11	12	12
Conducted meetings with developers	85	76	104	104
Outreach and Communication with Residents and Business Owners & Community at Large	1,040	1,180	1,170	1,170
Balanced Budget	100%	100%	100%	100%
Major Contracts Negotiated	6	4	7	5

Permanent Personnel Allotment of 4 FTE

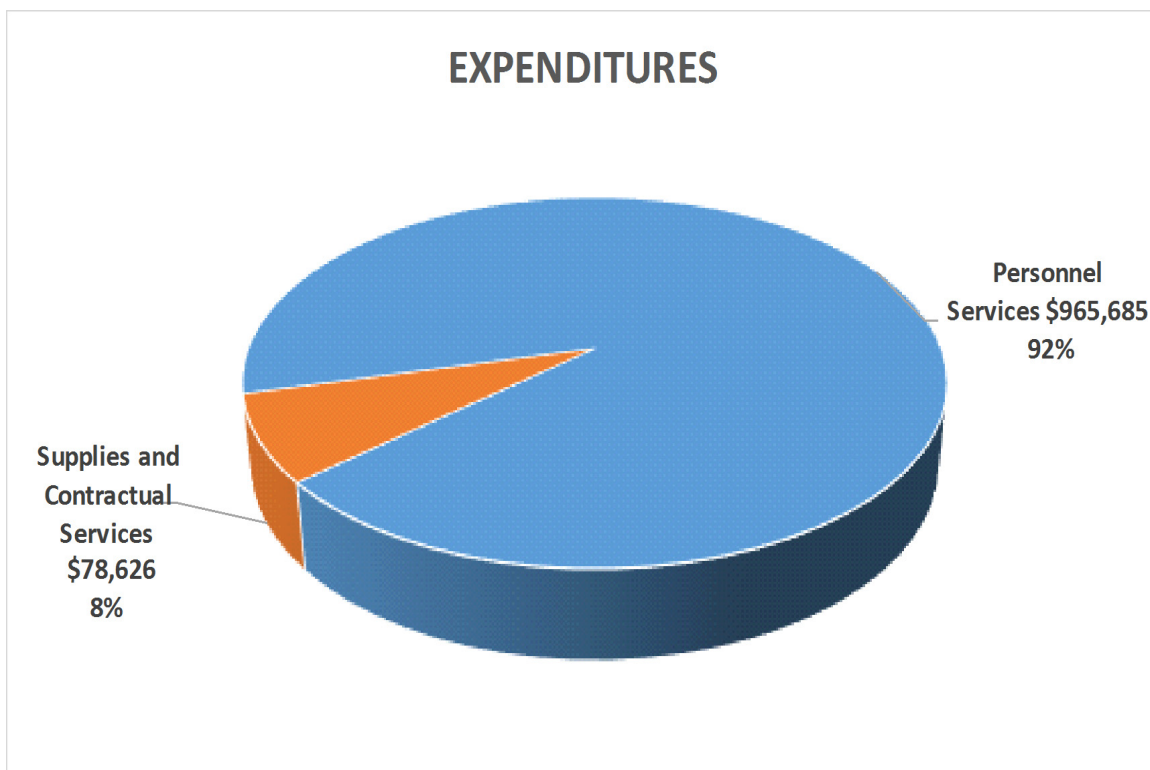
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Manager	1	1		Executive Secretary	2	1	1
Assistant City Manager	1	1					
TOTAL					4	3	1

* Total temporary FTE: 1

Staff Changes(s): Funded Assistant City Manager and moved Economic Development Director and Economic Development Specialist to a separate function.

Expenditure Analysis

Personnel Services	Net increases due to moving Economic Development to a separate function and adding the Assistant City Manager.
Services and Supplies	Decrease due to moving the Economic Development to a separate function.
Capital Outlay	None



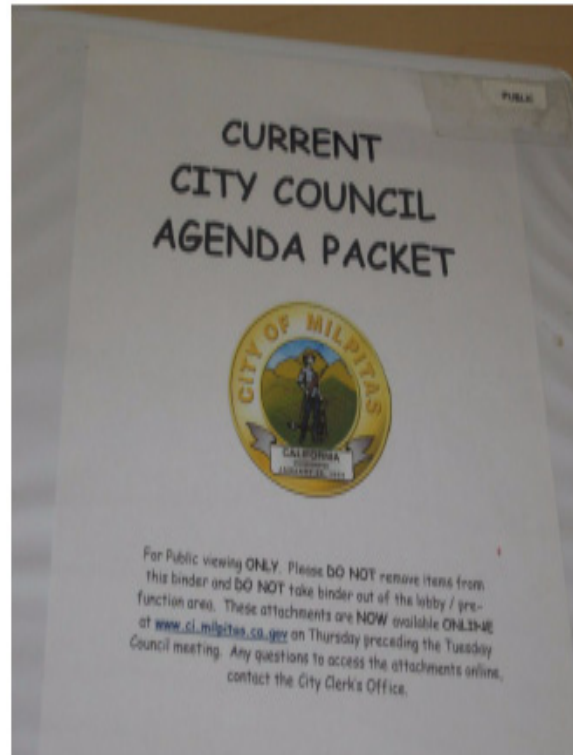
	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	612,044	686,326	651,116	602,128
4112 Temporary Salaries	12,813	20,812	30,000	30,000
4113 Overtime	2,493	(2,925)	0	0
4121 Allowances	3,150	1,375	0	0
4124 Leave Cashout	25,630	136,709	0	0
4131 PERS	153,811	198,457	168,878	223,648
4132 Group Insurance	64,458	80,526	65,592	64,512
4133 Medicare	9,354	12,107	7,713	9,217
4135 Worker's Compensation	2,129	2,776	2,620	3,138
4138 Deferred Comp-Employer	1,044	3,479	2,700	2,700
4139 PARS	190	315	450	450
4161 Retiree Medical Reserve	34,092	35,748	24,756	29,892
sub-total	921,208	1,175,704	953,825	965,685
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	515	7,000	7,000
4211 Equip Replacement Amortization	3,146	3,309	3,234	2,126
4220 Supplies	6,940	6,528	7,000	7,000
4230 Services	184,472	214,958	305,000	50,000
4501 Memberships and Dues	9,120	22,247	25,980	1,000
4503 Training	1,515	9,634	11,500	11,500
4520 Commissions and Boards	130	30	0	0
sub-total	205,323	257,220	359,714	78,626
CAPITAL OUTLAY				
TOTAL	1,126,531	1,432,925	1,313,539	1,044,311

FUNCTION: City Clerk	CITY CLERK: Mary Lavelle
----------------------	--------------------------

Description: The City Clerk serves as the legislative administrator, elections official, and records manager for the City. Serves as Secretary to the Public Financing Authority, Housing Authority and Successor Agency.

Services

- Ensures municipal records are readily available and accessible to all and serve as main source point of information for residents, City officials and staff, and other governments.
- Complies with the Ralph M. Brown Act, the Public Records Act and the City's Open Government ordinance.
- Provides centralized records management, including creating and retention of all meeting agendas and minutes of all City Council and other entity meetings.
- Coordinates outreach and tracking of appointments to 14 City Commissions.
- Maintains codification of ordinances, i.e. ensures publication of Milpitas Municipal Code.
- Administers municipal elections, including candidate filing in November of even years, and receives required campaign finance reports on semi-annual basis.
- Receives and files annual Form 700/ Statements of Economic Interest for all designated employees, Commissioners, and elected officials.
- Responsible for requests for Rental of City Hall facilities.
- Operates a U.S. Passport Acceptance Agency for passport applications.
- Conducts Administrative Hearings, upon request, for Parking Citation violations.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016-2017 Accomplishments					
1. Prepared all City Council meeting agendas and minutes for 21 regular meetings and 11 additional special meetings.	x		x	x	
2. Collected required FPPC* filings (campaign documents and Conflict of Interest forms) and submitted appropriate forms to State of California.	x			x	
3. Administered all procedures for Municipal Election held on November 8, 2016 for 11 candidates and 4 Ballot Measures.	x		x	x	
4. Provided Notary Public acknowledgement service on City documents and for employees. Deputy City Clerk renewed Notary Public commission via Secretary of State.	x		x		
5. Hosted annual meeting with Commission staff liaisons February 2, 2017.	x		x		
6. Served close to 2,000 customers via popular Passport Application Acceptance program and earned revenue for the General Fund. Staff re-certified as acceptance agents, following annual training.	x	x	x		
2017-18 Goals					
1. Prepare all City Council, Housing Authority, Public Financing Authority and other meetings' agendas and minutes.	x				
2. Respond to Public Records Act and Open Government Ordinance requests for records.	x	x	x	x	
3. Continue Passport Acceptance Agency program with service by appointment only.	x			x	
4. Continue with training and professional development opportunities for Deputy City Clerk with training toward Certification, and update City Clerk's training for administrative hearing officer function.	x	x	x	x	
5. Provide Notary Public service to departments and City staff, upon request. City Clerk shall update Notary Commission in 2017.	x	x	x	x	
6. Cull and destroy eligible records/files, per adopted schedule.	x		x		
7. Collect and post online required FPPC* documents, i.e. Forms 700 and Forms 460 (& others) for campaigns.	x		x		
8. Draft a Commissioners Handbook	x		x		

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
City Council agenda items	364	358	360	350
Passport applications accepted	1,624	2082	2,000	2,000
# of Candidates assisted in Municipal Election	8	N/A	11	N/A
# of Tort Claims received by City Clerk	56	62	50	50

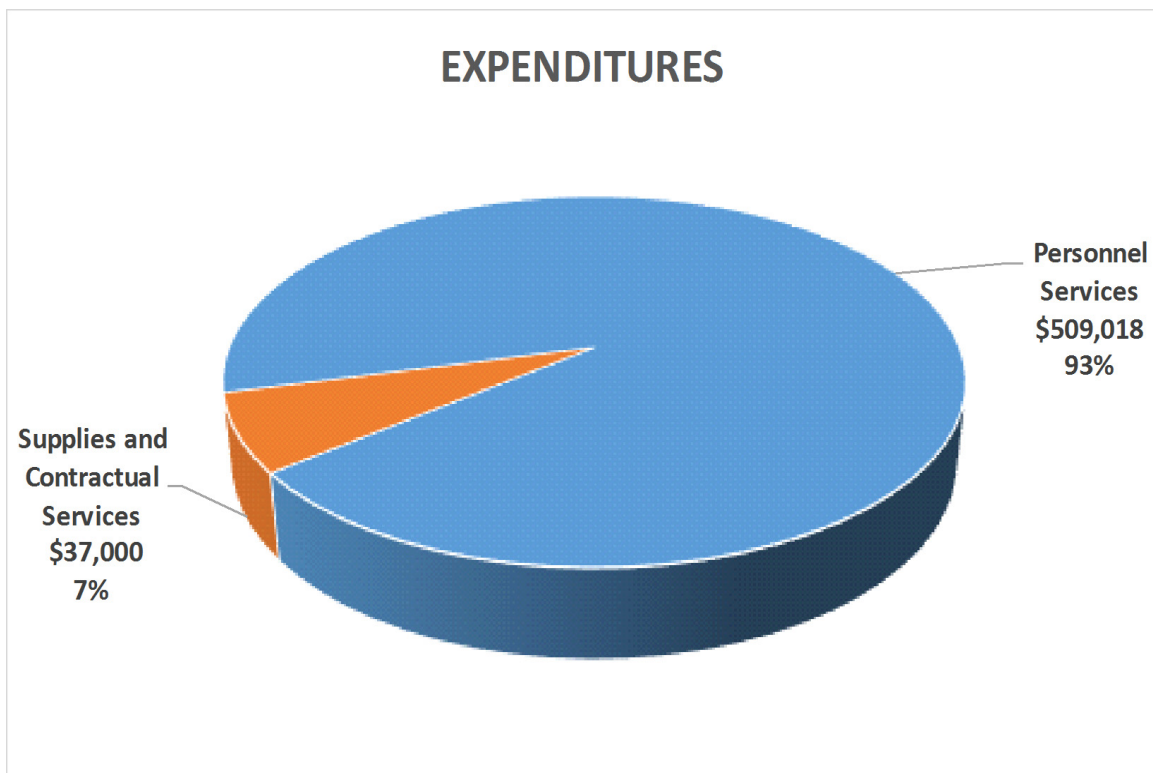
Permanent Personnel Allotment of 4 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Clerk	1	1		Office Specialist	1		1
Deputy City Clerk	1	1		Office Assistant	1	1	
				TOTAL	4	3	1

Staff Changes(s): Added 0.5 FTE Office Assistant

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes mentioned above.
Services and Supplies	Decrease due to no election costs this year.
Capital Outlay	None



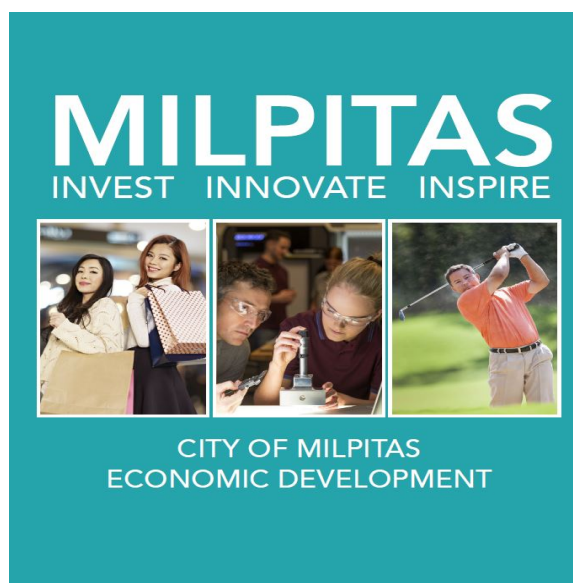
	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	216,777	230,404	236,667	314,014
4112 Temporary Salaries	390	7,741	0	0
4121 Allowances	692	0	0	0
4124 Leave Cashout	32,921	1,302	0	0
4131 PERS	37,494	57,124	68,292	105,918
4132 Group Insurance	36,870	25,194	43,680	64,512
4133 Medicare	2,587	3,650	3,461	4,606
4135 Worker's Compensation	685	892	1,179	1,572
4138 Deferred Comp-Employer	895	1,793	1,800	2,700
4139 PARS	6	116	0	0
4161 Retiree Medical Reserve	11,530	11,998	11,839	15,696
sub-total	<u>340,847</u>	<u>340,214</u>	<u>366,918</u>	<u>509,018</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	1,206	1,280	3,000	3,000
4230 Services	14,123	19,300	30,000	27,500
4280 Elections	197,011	10,309	190,000	0
4501 Memberships and Dues	530	530	1,500	1,500
4503 Training	1,013	3,567	4,000	5,000
sub-total	<u>213,882</u>	<u>34,987</u>	<u>228,500</u>	<u>37,000</u>
CAPITAL OUTLAY				
TOTAL	<u><u>554,729</u></u>	<u><u>375,200</u></u>	<u><u>595,418</u></u>	<u><u>546,018</u></u>

FUNCTION: Economic Development**Economic Development Director: Edesa Bitbadal**

Description: Economic Development Department strategizes, manages and directs programs and activities such as business retention and attraction, workforce development, revitalization, land-use, marketing & branding, and real estate economics.

Services

- **Business Retention and Recruitment:** Economic Development Department meets with top 25 tax contributors and largest employers in order to retain and expand their businesses.
- **Workforce Development:** Support workforce development by collaborating with regional workforce development organizations, local educational organizations, and local companies.
- **Small Businesses Assistance:** Develop seminars, educational programs, and collateral to assist small businesses in various aspects of business management, permits, and marketing.
- **Development Facilitation:** Facilitate development projects that generate property tax, Transient Occupancy Tax (TOT) and sales tax revenues. Ombudsman for permitting process to largest economic development projects from the inception of the project to the completion. These projects include hotels, mixed-use development, industrial, restaurants, retail and many more.
- **Economic Development Studies:** Conduct studies that enhance and sustain the City's economic vitality. Manage consulting contracts for economic development studies to utilize data to enhance economic base of the City.
- **Retail Development:** Recruit key businesses that fill retail gaps and provide sales tax revenues and needed services to the community.
- **Business Recruitment:** Recruitment of job and revenue generating businesses by engaging brokers, companies, developers, hotels, business media and key stakeholders throughout the region.
- **Branding and Marketing:** Develop and implement branding and marketing strategies to promote the City and the Transit District at the regional, national, and international levels.
- **Economic Development Analysis:** Tracking of sales and transient occupancy taxes to follow trends and gaps. Evaluate economic development data such as, but not limited to jobs, GDP, populations growth locally, regionally, statewide, and nationally.
- **Special Projects:** Manage special projects and programs that will enhance the City's sales tax, TOT, sustainability, and mobility.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016-2017 Accomplishments					
1. Facilitate development of seven projects.	x	x	x	x	x
2. Received two awards from the most prestigious international economic development organization (IEDC).	x	x	x	x	x
3. Recruitment of three hotels including Virgin Hotel with net gain of 545 new rooms and millions of dollars in annual basis to the General Fund.	x	x	x	x	x
4. Reduction in commercial vacancies.	x	x	x	x	
5. Workforce Development and partnerships with MUSD.	x	x	x	x	x
6. Minimum wage increase and ban on outdoor dining smoking ordinances.	x	x	x	x	x
7. Marketing and branding by development of a tag line, brochure, website, and e-newsletter.	x	x	x	x	
8. International outreach by making 9 presentations to international delegates and businesses, translation of marketing materials to Chinese.	x	x	x	x	x
2017-18 Goals					
1. Continue business recruitment and retention and outreach programs.	x	x	x	x	x
2. Promoting Milpitas-based manufacturing companies in order to retain and recruit companies and jobs.	x	x	x	x	x
3. Support workforce development.	x	x	x	x	x
4. Support small businesses.	x	x	x	x	x
5. Facilitate development projects that generate property tax and sales tax revenue.	x	x	x	x	x
6. Conduct studies that enhance and sustain the City's economic vitality.	x	x	x	x	
7. Recruitment of key businesses such as a grocery store in the TASP area.	x	x	x	x	x
8. Branding and marketing of the City and the Transit Area.	x	x	x	x	x
9. Partnership with MUSD and Evergreen Valley College.	x	x	x	x	x
10. Implement a Business Roundtable	x	x	x	x	x

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
Policies and Programs	N/A	0	2	3
Customer Service Survey	N/A	N/A	N/A	90%
International Engagement/Presentations	N/A	N/A	9	9
Regional Engagement/Presentations	N/A	N/A	38	45
Local Business Engagement/Presentations	N/A	N/A	28	30
Business Engagement to Top Employers	N/A	N/A	2	10
Business Outreach by Mail/E-Mail	N/A	N/A	3,500	7,000

Permanent Personnel Allotment of 2 FTE

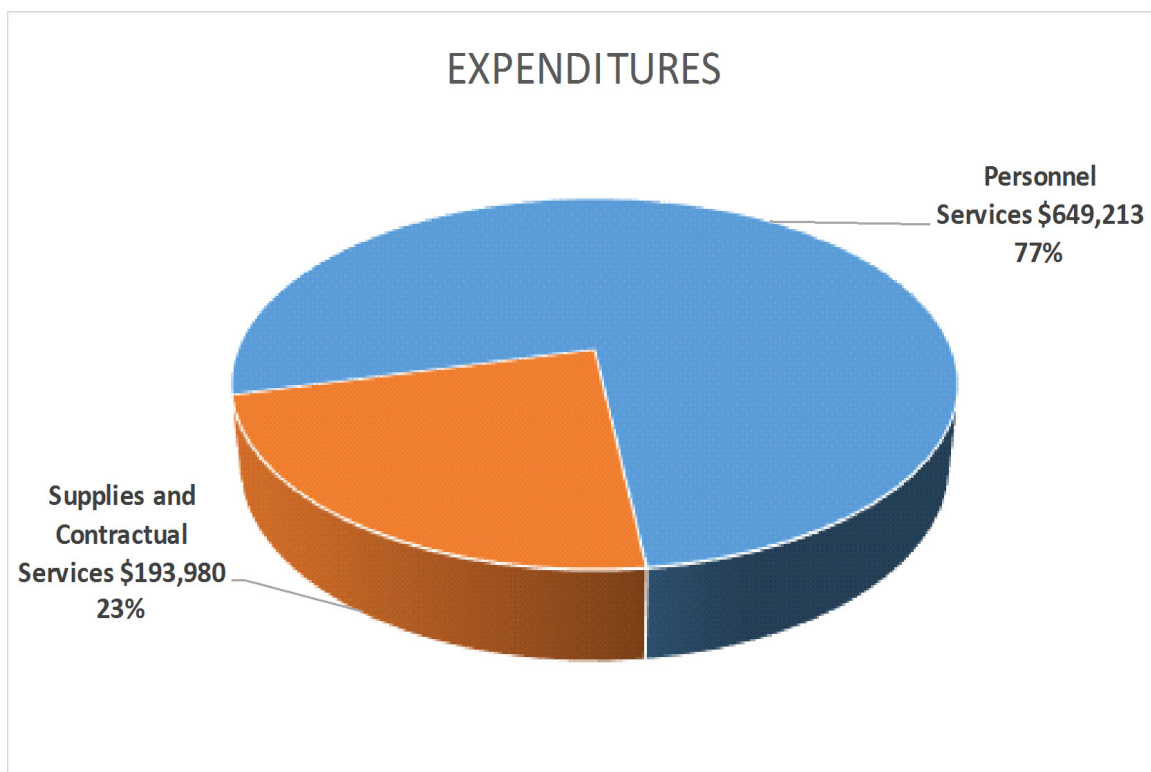
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Economic Development Director	1	1		Economic Development Specialist	2	2	
				TOTAL	3	3	0

* Total temporary FTE: 1

Staff Changes(s): Add one Economic Development Specialist.

Expenditure Analysis

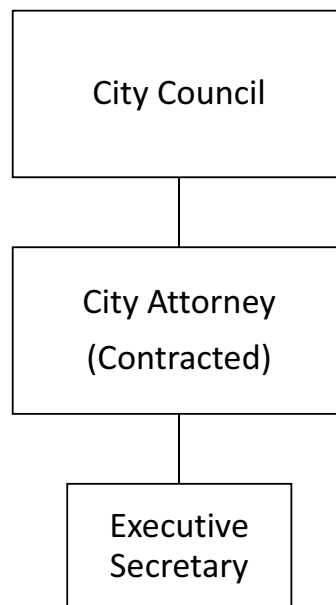
Personnel Services	Increase due to separating Economic Development from City Manager Function. Also Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes mentioned above.
Services and Supplies	Increase due to separating Economic Development from City Manager Function.
Capital Outlay	None



	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	0	0	0	453,830
4112 Temporary Salaries	0	0	0	30,000
4131 PERS	0	0	0	99,088
4132 Group Insurance	0	0	0	43,008
4133 Medicare	0	0	0	4,719
4135 Worker's Compensation	0	0	0	1,618
4138 Deferred Comp-Employer	0	0	0	1,800
4139 PARS	0	0	0	450
4161 Retiree Medical Reserve	0	0	0	14,700
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>649,213</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4230 Services	0	0	0	155,000
4501 Memberships and Dues	0	0	0	23,980
4503 Training	0	0	0	15,000
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>193,980</u>
CAPITAL OUTLAY				
TOTAL	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>843,193</u></u>

Mission Statement

The Office of the City Attorney provides cost effective legal representation, analysis and guidance to the City Council and City staff at the highest level of professionalism.



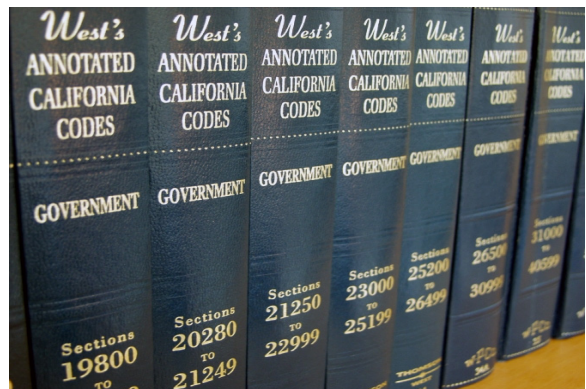
Blank Page

DEPARTMENT: Office of the City Attorney	CITY ATTORNEY: Christopher J. Diaz
-----------------------------------------	------------------------------------

Description: This department provides general legal advice and services to the City Council, RDA Successor Agency, Housing Authority, City Commissions, City Manager, City departments and other entities as approved by City Council. The City Attorney's department prepares or approves as to form all proposed ordinances, resolutions, agreements and amendments thereto. This department negotiates and drafts complex agreements, including at times development agreements with developers. This department represents the City in litigation and supervises litigation of ABAG appointed counsel. This department also provides guidance in personnel matters.

Services

- General legal advice
- Personnel advice
- Litigation
- Employee legal training
- Compliance advice related to current and forthcoming federal and State regulations
- Housing Authority and RDA Successor Agency legal services
- Land use advice and document preparation
- Conflict of Interest and Open Government guidance



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016-2017 Accomplishments					
1. Provided superior, affordable, timely legal advice, service and legal training	x	x	x	x	
2. Advised on and/or prepared documents for numerous complex Planning projects	x	x	x	x	
3. Represented in and/or supervised numerous administrative and court actions	x		x	x	
4. Provided advice and direction on odor mitigation project	x	x	x	x	
5. Advised on and/or prepared multiple ordinances/updates of Municipal Code, including CUPCCA implementation, Building & Fire Code updates, Cannabis ban, Water Conservation updates, Outdoor Smoking ban, multiple Zoning Code amendments, and Minimum Wage increase	x	x	x	x	
6. Advised on/prepared documents for six potential ballot measures, including three ordinances	x	x	x	x	
7. Provided advice to City Council on various elections challenges	x	x		x	
8. Provided advice to staff on solid waste contracts issues	x	x	x	x	
9. Prepared new contract template documents for anticipated roll-out	x			x	
10. Provided continued legal guidance/actions through RDA wind-down	x	x		x	
2017-18 Goals					
1. Provide superior, affordable, timely legal advice and service	x	x	x	x	
2. Provide ongoing legal training to staff, commissions, etc.	x	x	x	x	
3. Provide ongoing advice re: TASP, including BART project	x	x	x	x	
4. Update various Municipal Code sections, as authorized, including adding new legislation and/or clean up of existing sections	x	x	x	x	
5. Provide legal guidance through continuing RDA wind-down	x	x	x	x	

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
Council agenda contracts drafted/reviewed/edited	126	93	93	95
Council agenda resolutions/ordinances drafted/reviewed/edited	117	89	137	140
Planning Commission resolutions/ordinances drafted/reviewed/edited	39	37	38	40
Court/administrative cases handled/supervised	31	37	42	40
Percentage of documents timely produced for agenda	100%	100%	100%	100%

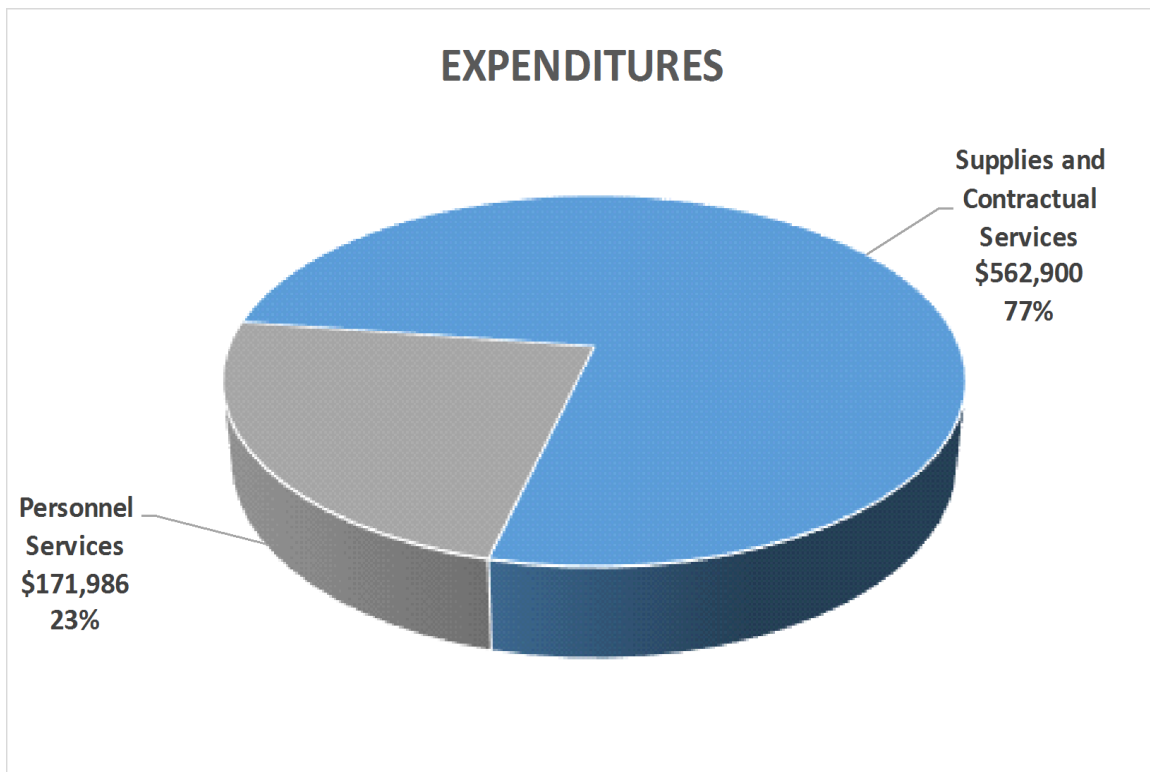
Permanent Personnel Allotment of 4 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Attorney	1		1	Deputy City Attorney	1		1
Assistant City Attorney	1		1	Executive Secretary	1	1	
TOTAL					4	1	3

Staff Changes(s): None

Expenditure Analysis

Personnel Services	Increase due to negotiated union salary, benefits and PERS rate increase.
Services and Supplies	No significant changes.
Capital Outlay	No change.



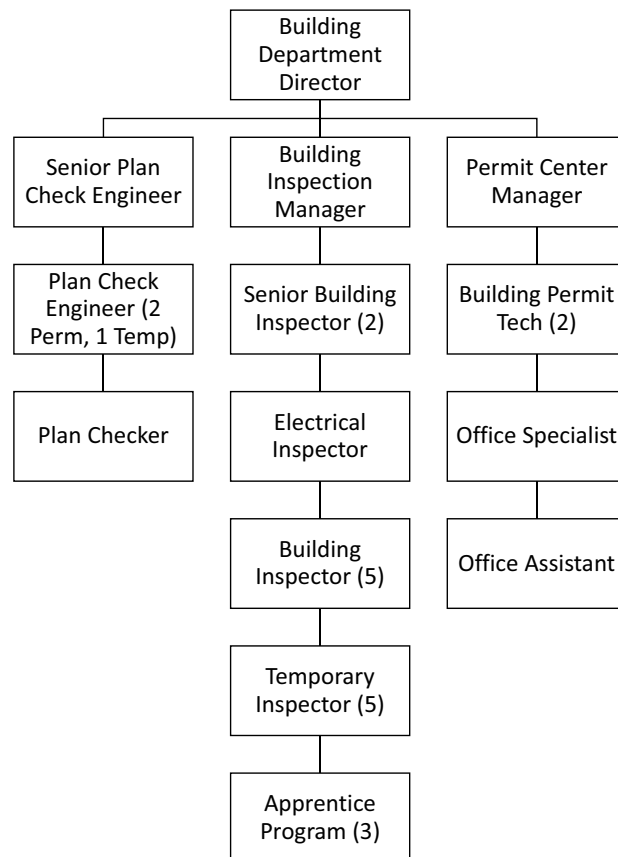
	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	462,971	111,772	102,564	106,708
4112 Temporary Salaries	1,725	8,873	0	0
4121 Allowances	1,385	0	0	0
4124 Leave Cashout	19,666	0	0	0
4131 PERS	124,754	26,257	27,058	36,072
4132 Group Insurance	72,652	28,543	21,840	21,504
4133 Medicare	7,055	2,406	1,504	1,558
4135 Worker's Compensation	1,355	1,735	456	480
4138 Deferred Comp-Employer	1,212	962	900	900
4139 PARS	29	130	0	0
4161 Retiree Medical Reserve	22,644	5,644	4,584	4,764
sub-total	715,448	186,320	158,906	171,986
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	13,700	11,959	1,500	1,500
4230 Services	210,194	1,001,053	563,300	561,400
4410 Communications	1,322	0	0	0
4501 Memberships and Dues	860	0	0	0
4503 Training	3,232	54	0	0
sub-total	229,308	1,013,065	564,800	562,900
CAPITAL OUTLAY				
TOTAL	944,755	1,199,385	723,706	734,886

Mission Statement

The Building and Safety Department is committed to fulfilling the needs of our community and contributing to the City's economic development. We are committed to providing courteous, prompt and professional services to all citizens through innovations, continuous improvement, determination and excellence in customer service. We build positive working relationships within the business community, consumers and citizens alike. We promote health and safety in construction and safeguard citizens of the City through enforcement of California Building Codes and State and Federal regulations. We work to promote and ensure that new construction meets all required standards of safety, and that existing structures are maintained in safe conditions.

Functions

Plan Check
Administration
Permit Center
Building Inspection



Blank Page

DEPARTMENT: Building and Safety	DIRECTOR OF BUILDING AND SAFETY: Keyvan Irannejad
----------------------------------------	----------------------------------------------------------

Description: This Department is responsible for implementation of life safety and quality standards in private and public construction achieved by enforcing California Building Codes, State and Federal regulations that pertain to physical development of the City. The Department's four functions include: Building Inspection Services, Plan Checking Services, Building Administration and Permit Center.

Services

- Reviews construction plans and documents to ensure safety through compliance with technical codes, State and local regulations and acceptable engineering practices.
- Provides inspections, including occupancy inspections, to ensure safety of occupants and that buildings, streets, parks and community projects are constructed in accordance with approved plans and applicable State and local regulations.
- Schedules inspections, provides access to inspection results and plan check status using Integrated Voice Recognition System (IVR), online or by phone
- Assists customers in obtaining building permits and monitors plan submittal process from initial submittal to permit issuance using "One Point of Contact" approach.
- Issues permits, including permits submitted by fax, online and by mail.
- Processes permit applications, collects permit fees, performs records research, and maintains the building plans and records.
- Provides permit submittal information to the public and responds to codes-related questions in person, by telephone, e-mails and through web site.
- Provides general information related to City services and operations. Directs customers to proper City staff members, Departments and outside agencies.
- Provides and updates submittal requirements, checklists, design guidelines and pamphlets to explain how to obtain permits, and comply with construction requirements.
- Develops and updates easy-to-follow web site allowing customers to receive up-to-date information on code requirements, submit permit applications, obtain submittal requirements and ask questions and other related information.
- Provides after business hours and weekend inspections. Meets with design professionals, homeowners and contractors to assist them in the timely issuance of permits and completion of projects including after business hours. Provides same day and online plan check services.
- Provides assistance to the Community Development Block Grant (CDBG) Housing Rehabilitation Program to enhance the quality of life for low-income families.
- Provides assistance to the Fire Department in fire investigations and building owners for other emergencies.
- Provides assistance and inspections to mobile home parks.
- Provides Code Enforcement to correct Health and Safety Code violations.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016 - 2017 Accomplishments					
1. ISO awarded Bldg. Dept. Class 1 on both personal and commercial lines activities	x	x	x	x	x
2. Introduced a new Building Department smartphone app.	x	x		x	x
3. Continued to enhance public outreach with e-Newsletters and social media.	x	x			x
4. Improved automation of inspection reporting and time tracking systems	x	x			x
5. Continued to improve on line plan submittal and electronic plan review	x	x	x	x	
6. Continued cross-training of staff to improve consistency and efficiency	x		x	x	
7. Continued to utilize same plan checker and inspector from project start to finish	x	x	x	x	x
2017- 2018 Goals					
1. Continue to enhance the functionality of the Building Department smartphone app.	x	x		x	x
2. Enhance record search efficiency by digitalization of historic microfiche records.	x	x		x	x
3. Continue to train staff on new Codes and cross-train staff to improve consistency.	x	x	x	x	
4. Expand online submittal and electronic plan review to all project types.	x	x		x	
5. Streamline and automate occupancy certification process.	x	x	x	x	
6. Continue to improve automation of inspection reporting and time tracking systems.	x	x			x
7. Continue to complete all plan checks and inspections request on time.	x		x	x	
8. Continue to utilize same plan checker and inspector from project start to finish.	x	x	x	x	x

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
New Construction Valuation (Millions)	254	249	403	450
Total Building Permits Issued/Avg. Permits Issued per day	4,216/16	4,131/16	4,090/16	4,200/16
Total Plan Checks /% Express Plan Checks *	1,253/37	1,325/50	1,610/50	1,700/50
Number of Customers Served/Avg. Waiting Time to assist customers (minutes)	5,492/1.5	4,186/1.5	5,580/1.5	5,500/1.5
Daily Inspections per Inspector/Avg. Min. **	10/35	9/40	10/40	10/40
Customer Survey overall rating Excellent / Good	99%	99%	99%	99%
Plan Checks completed on schedule	90%	78%	76%	90%
Inspections completed on requested time	96%	98%	98%	98%
Accuracy of building plan check	98%	98%	98%	98%
Respond to after-hour emergency inspections	100%	100%	100%	100%

NOTE: * Express projects performed over the counter/same day. ** Inspections (building and misc.). Include inspection time travel, paperwork, computer input and phone calls. Public Work Inspections are not included.

Permanent Personnel Allotment of 25 FTE

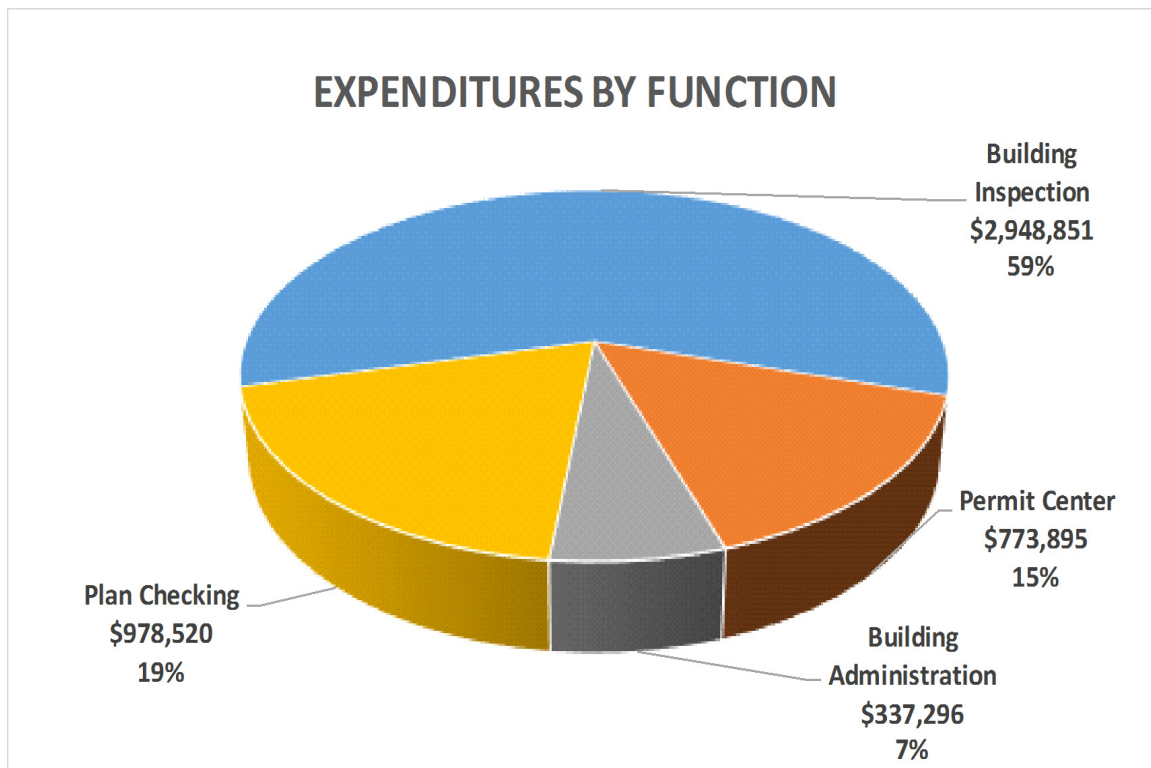
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Electrical Building Inspector	2	1	1	Chief Building Official	1		1
Bldg Inspection Mgr	1	1		Building Department Director	1	1	
Building/NP Inspector	7	6	1	Permit Center Manager	1	1	
Senior Building Inspector	1	1		Building Permit Technician	3	2	1
Senior Plan Check Engineer	1	1		Office Specialist	1	1	
Plan Check Engineer	4	2	2	Office Assistant II	1	1	
Plan Checker	1	1					
TOTAL					25	19	6

* Total temporary FTE: 5

Staff Changes(s): Fund one Senior Plan Check Engineer, fund three Apprentices reclass and one Building Inspector to a Senior Building Inspector.

Expenditure Analysis

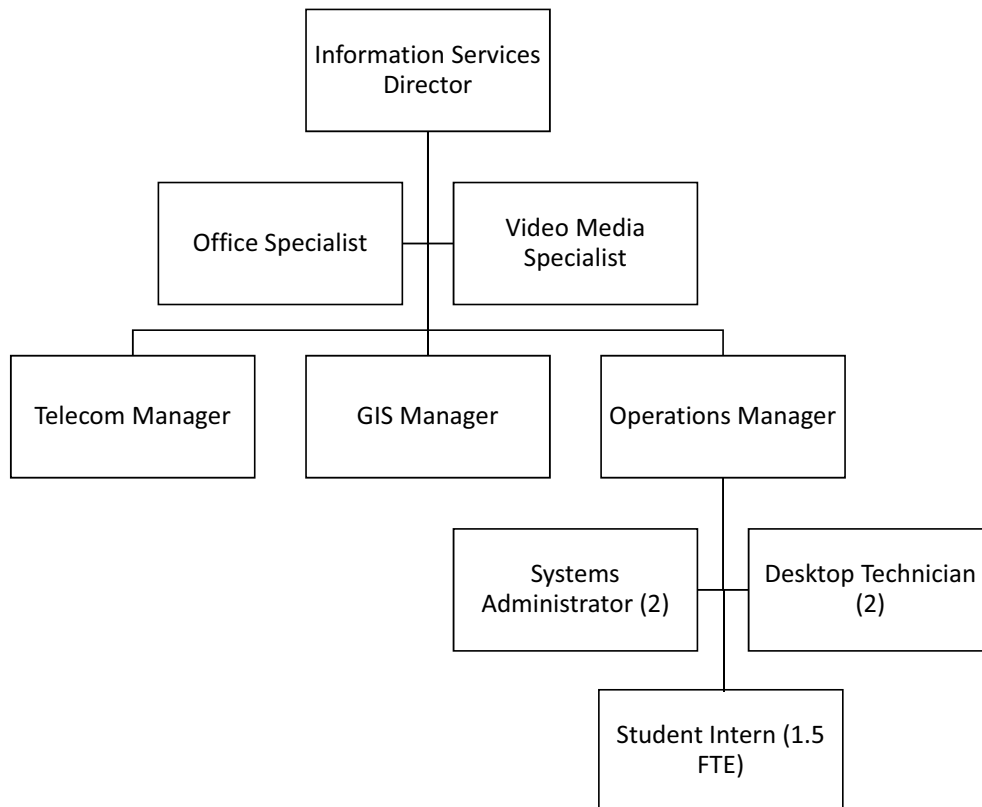
Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes mentioned above. Increase in temporary salaries due to one dedicated building inspector.
Services and Supplies	No significant changes.
Capital Outlay	Replacement of one vehicle.



	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	1,516,628	1,595,630	1,897,754	2,420,468
4112 Temporary Salaries	284,343	228,340	528,688	656,698
4113 Overtime	13,510	14,592	70,000	70,000
4124 Leave Cashout	75,635	56,657	0	0
4131 PERS	262,872	413,828	661,114	938,954
4132 Group Insurance	335,634	317,930	502,320	537,594
4133 Medicare	27,357	27,305	35,453	40,595
4135 Worker's Compensation	23,113	20,450	28,507	26,996
4138 Deferred Comp-Employer	6,289	13,463	16,200	17,100
4139 PARS	285	96	0	0
4161 Retiree Medical Reserve	84,310	109,688	120,245	139,069
sub-total	2,629,977	2,797,979	3,860,281	4,847,474
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	23,392	24,224	37,464	41,358
4220 Supplies	9,420	11,164	31,550	31,550
4230 Services	35,625	50,231	65,550	78,250
4501 Memberships and Dues	1,175	1,455	1,530	1,530
4503 Training	8,857	8,840	49,400	38,400
sub-total	78,469	95,914	185,494	191,088
CAPITAL OUTLAY				
4850 Vehicles	0	0	28,000	0
sub-total	0	0	28,000	0
TOTAL	2,708,445	2,893,893	4,073,775	5,038,562

Mission Statement

The Information Services Department supports the operations of the City by providing high quality, reliable and cost effective services in the areas of telecommunications, data processing, desktop support and technology project management.



Blank Page

DEPARTMENT: Information Services**IS DIRECTOR: Mike Luu**

Description: This department provides automation planning, coordination of system procurement and implementation, management of technology projects to fulfill customer-defined functional requirements, development and maintenance of the City's technical architecture and infrastructure, partnering with key product and service providers, ensuring customer satisfaction, providing automation support and training development, support of the City's web site, Cable TV channel, AM radio station and public-access TV studio, implementation and support of security access systems and all automated data systems. Additionally, Information Services is responsible for the City's public information function.

Services

- Strategic Planning – This service includes maintaining and updating the City's Telecommunications Master Plan in addition to providing the technology planning and support for each department to achieve their annual goals and objectives.
 - Project Management – One of the key services provided by the Information Services Department includes project management for both large and small technology projects. These services range from small projects to large multi-year efforts.
 - Development and support of the technical architecture and infrastructure. This service includes the maintenance and support of the City's telephone systems, mobile phone and data services, metropolitan-area fiber optic network, paging, radio, video, remote communications and the wired and wireless computer networks.
 - Development and support of the City's website, cable TV channel and AM radio system. This service serves City staff, City residents and visitors, both locally and foreign. One of the fastest and easiest ways to evaluate a city as a potential site for starting a business is by visiting that City's website. Since first impressions are lasting impressions, this service provides an invaluable opportunity to advertise the benefits of doing business within the community.
 - Implementation and operation of the City's security access and control systems. It is essential to protect City assets, especially given the times we operate and live in.
- This service is used to enhance the safety of not only City staff and residents but also the City's public buildings.
- Management and support of the complex information systems. The City supports a data network of more than 65 servers, 500 computers, 80 laptops and 120 printers. It is critical to continuously maintain and upgrade these systems to ensure highest possible availability for all business users
 - Development and support of the City's Geographic Information System. The GIS system supports the work of virtually all departments within the City. From the 911 emergency computer-aided dispatch system to the notification of residents regarding pending zoning actions, the GIS system is used widely to support all of the City's business functions.
 - Support of the Public Information function. This service includes acting as the City's liaison for information dissemination through the City's website, cable TV channel and AM radio station. It also includes the duties and responsibilities associated with performing the role of Public Information Officer during times of emergencies.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016-2017 Accomplishments					
1. Completed Replacement of IVR System	x	x		x	
2. Completed Deployment of Mobile Devices for Building and Public Works	x	x		x	
3. Worked with Public Works, Police to Deploy New MCT in Police Vehicle	x			x	
4. Deployed 106 PTT+ Phone Citywide	x			x	
5. Offsite and Online Training	x			x	x
2017-18 Goals					
1. Complete CAD system upgrade	x			x	
2. Complete Records Management System Upgrade.	x			x	
3. Complete Citywide Network Upgrade	x			x	
4. Security ID System Replacement at City Hall.	x			x	
5. Complete CAD project with the City of Campbell	x	x	x	x	

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
City Council Meetings	100%	100%	100%	100%
Network Availability	99.99%	99.99%	99.99%	99.99%
Server Availability A	99.99%	99.99%	99.99%	99.99%
Website Availability A	100%	100%	100%	100%
Percent of customer surveys received with a score of 4 or better (out of 5)	97%	98%	95%	95%

NOTE: A=Scheduled down time for maintenance is excluded.

Permanent Personnel Allotment of 14 FTE

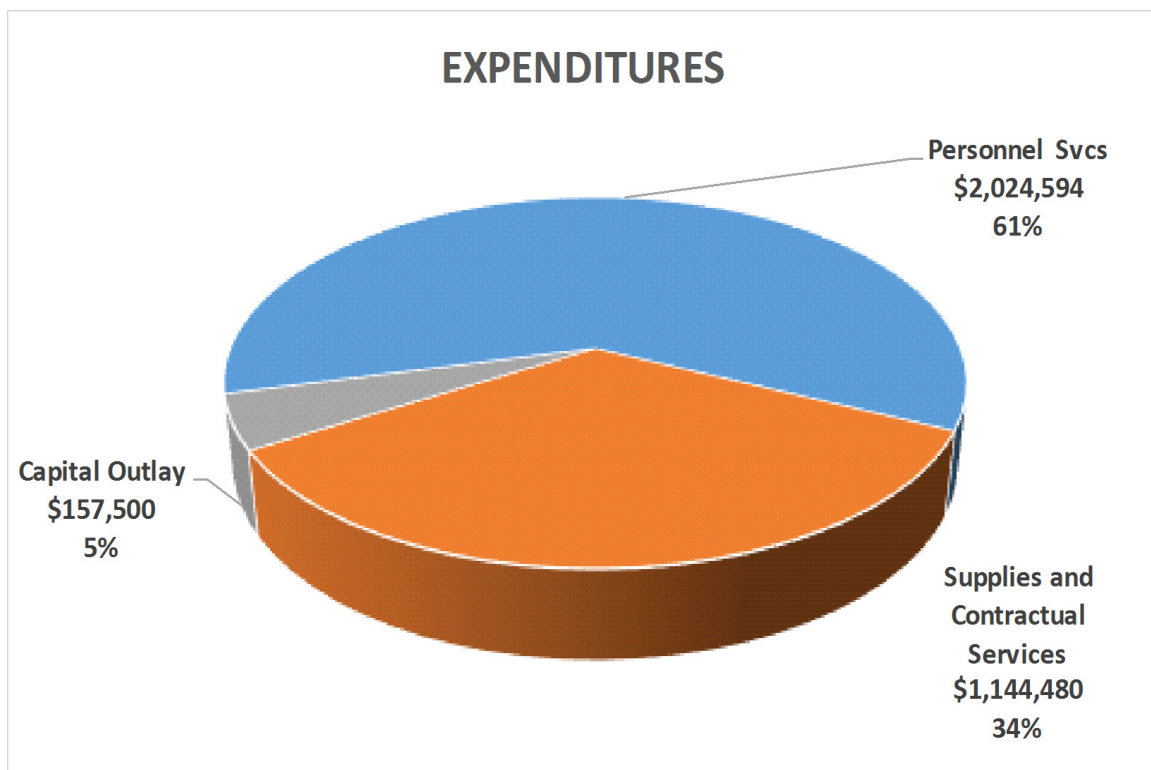
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Desktop Technician	4	2	2	Operations Manager	1	1	
Systems Administrator	4	2	2	Video Media Specialist	1	1	
Office Specialist	1	1		Telecommunications Manager	1	1	
G I S Manager	1	1					
Information Services Director	1	1					
TOTAL					14	10	4

* Total temporary FTE: 1.5

Staff Changes(s): None.

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase
Services and Supplies	No significant changes.
Capital Outlay	Computer hardware upgrade.

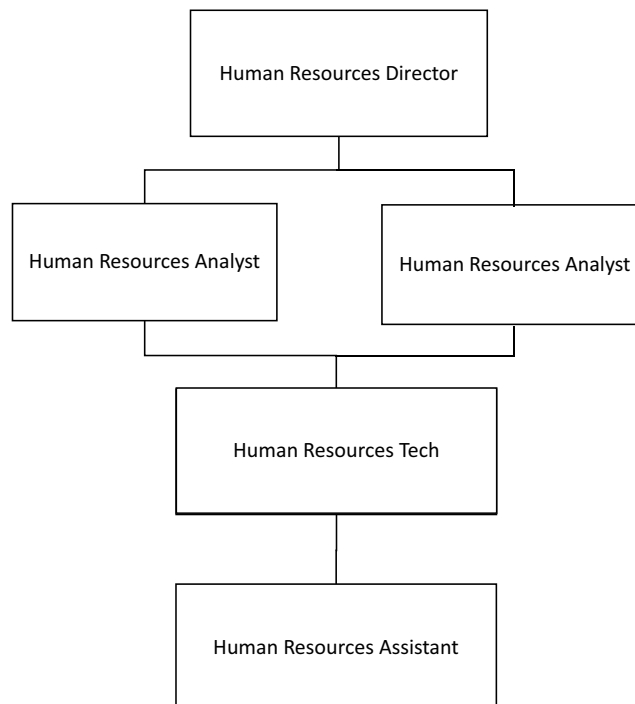


	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	1,018,183	1,036,636	1,152,040	1,224,794
4112 Temporary Salaries	2,453	8,227	75,000	75,000
4113 Overtime	0	667	0	0
4121 Allowances	2,135	1,500	0	0
4124 Leave Cashout	57,535	40,171	0	0
4131 PERS	156,838	243,530	309,304	413,072
4132 Group Insurance	138,664	145,823	218,400	215,040
4133 Medicare	15,709	15,771	17,930	18,994
4135 Worker's Compensation	3,405	3,835	6,115	6,489
4138 Deferred Comp-Employer	5,625	8,100	9,000	9,000
4139 PARS	36	124	1,125	1,125
4161 Retiree Medical Reserve	56,852	51,440	57,428	61,080
sub-total	1,457,433	1,555,823	1,846,342	2,024,594
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	8,754	9,207	8,999	8,116
4220 Supplies	20,929	16,108	15,246	18,000
4230 Services	472,914	644,951	924,389	861,286
4410 Communications	161,413	171,392	223,500	244,578
4501 Memberships and Dues	0	0	0	2,000
4503 Training	5,542	9,694	4,474	10,500
sub-total	669,552	851,352	1,176,608	1,144,480
CAPITAL OUTLAY				
4870 Machinery & Equipment	0	5,926	0	0
4920 Machinery Tools & Equipment	314,075	241,252	157,500	157,500
sub-total	314,075	247,179	157,500	157,500
TOTAL	2,441,060	2,654,353	3,180,450	3,326,574

Mission Statement

The Human Resources Department is committed to:

Providing excellent service to all customers; an inclusive work environment which reflects and supports the diversity of our community and our workforce; treating all individuals with fairness, dignity, and respect; continuous improvement in personal, professional, and leadership development; promoting a balance between work and family; and maintaining a friendly work environment.



Blank Page

DEPARTMENT: Human Resources

HR DIRECTOR: Tina Murphy

Description: The Human Resources (HR) Department is a centralized full-service department that provides Citywide services related to: recruitment, benefits administration, a self-funded workers' compensation program, labor negotiations, administration of memorandum of understanding with the various employee groups, employee relations, the safety program, compliance with State and Federal employment laws, training and maintenance of personnel systems and files.

Services

- Recruitment - The HR Department is committed to finding high quality candidates in a timely manner. The HR Department takes an aggressive approach in identifying and recruiting the most qualified candidates for City positions.
- Benefits Administration - The HR Department provides benefits administration to approximately 350 active employees with an excellent benefit package that includes medical coverage through CalPERS Health. Additional benefits include Dental, Vision, Life Insurance, Long Term Disability, Short Term Disability, Deferred Compensation (457 Plan), and the Employee Assistance Program (EAP).
- Workers' Compensation - The City is self-insured for workers' compensation contracted through a Third Party Administrator (TPA). Staff works closely with our TPA to ensure that all injured employees receive proper care for their work-related injuries.
- Labor Relations - The HR Department negotiates on behalf of the City and oversees six separate bargaining units by administering, implementing and interpreting labor contracts and assisting in the resolution of grievances.
- Employee Relations and Customer Service - The HR Department treats all applicants, employees, retirees, and residents with dignity and respect. We strive to ensure equal employment opportunities and a workplace free of discrimination and harassment. We encourage positive employer-employee relations and maintain a high level of service to those we serve.
- Training - The HR Department coordinates Citywide training on topics such as customer service, employee safety, benefits, harassment prevention, ergonomics, and leadership to provide professional and personal development opportunities for employees.



	Superior Customer Service	Open Communication	Trust and Respect	Integrity & Accountability	Recognition & Celebration
2017-2018 Accomplishments					
1. Held successful Open Enrollment; hosted Health and Benefits Fair with 25 benefit vendors; created Open Enrollment website to allow employees to access information remotely.	x	x		x	
2. Implemented requisition tracking system to ensure recruitments commence in a timely manner.	x	x	x	x	
3. Updated new employee benefits orientation packet; continuous improvement of online benefit forms.	x	x	x	x	
4. Increased recruitment outreach on social media sites, including LinkedIn, Glassdoor, Twitter (@MilpitasCityJob), and Facebook.	x	x		x	x
5. Successfully completed a total of 44 recruitments. Conducted 28 new fulltime and 29 new part-time employee orientation sessions.	x	x	x	x	x
6. Developed and distributed monthly Human Resources Employee Newsletters to provide up-to-date information about employee benefits, events, and training opportunities.	x	x	x	x	x
7. Provide ongoing professional training to employees i.e., Performance Management training, Customer Service Training, legal updates, professional development workshops and webinars, legally mandated training, and CalPERS webinars	x	x	x	x	
8. Hosted City employee recognition events (e.g., Service Award luncheon, Be a Good Sport Week, National S'mores Day) to acknowledge and thank employees for their service to the City of Milpitas; ; held 3 new employee Meet and Greet breakfasts.	x	x			x
9. Updated City Performance Appraisal Form (PAF) to effectively evaluate performance of employees against the Milpitas Strategic Plan Values.	x	x	x	x	x
10. Implemented Eat Healthy/Work Healthy guidelines for City-sponsored meetings and events; Human Resources is a drop-off site for a Community Supported Agriculture (CSA) farm.				x	x
11. Transitioned City-wide Transportation Reduction Incentive Program (TRIP) to Human Resources Department.	x			x	
12. Prepared recruitment video for Building Inspector.	x	x			x
13. Negotiated successor MOU for four bargaining units (ProTech, Mid-Con, IAFF, POA).	x	x	x	x	x
14. Conducted or scheduled on-line Harassment Prevention Training for all City staff.	x	x	x	x	
2017-18 Goals					
1. Effectively transition volunteer internship components of City-wide Volunteer Management program to Human Resources Department.	x	x		x	
2. Continue to enhance new hire orientation process; update employee handbook.	x	x	x	x	x
3. Train all City employees on Harassment Prevention.	x	x	x	x	
4. Administer Personnel Action Form (PAF) process for routine items (e.g., longevity and step increases) to increase efficiency and timely data entry.	x	x		x	x
5. Host City employee recognition events.	x				x

	Superior Customer Service	Open Communication	Trust and Respect	Integrity & Accountability	Recognition & Celebration
2017-18 Goals					
6. Implement improved process to track training classes by employee.	x	x	x	x	x
7. Educate employees on benefits; work with third party vendors to provide additional information and literature on benefits offered; encourage participation in wellness events.	x	x		x	x
8. Complete City-wide Classification and Compensation Study.	x	x	x	x	x
9. Continue to Implement job analyses for new and updated job descriptions.	x		x	x	
10. Prepare new City of Milpitas recruitment videos for difficult to recruit positions; continue to promote City of Milpitas as a great place to work.	x	x			x
11. Continue to review, streamline, and update Human Resources policies and practices.	x	x		x	

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
Average time to fill a vacancy. Number of days from posting job announcement to extending an offer.	N/A	90 days	70 days	75 days
Percentage of recruitments completed within established timelines. *	N/A	N/A	90%	90%
Percentage of Customer Satisfaction Survey overall ratings Satisfied/Very Satisfied.	85%	80%	85%	85%
Percentage of Training Satisfaction Survey overall ratings Good/Excellent. *	N/A	N/A	86%	85%

*New Performance Measures effective 2016-17

Permanent Personnel Allotment of 6 FTE

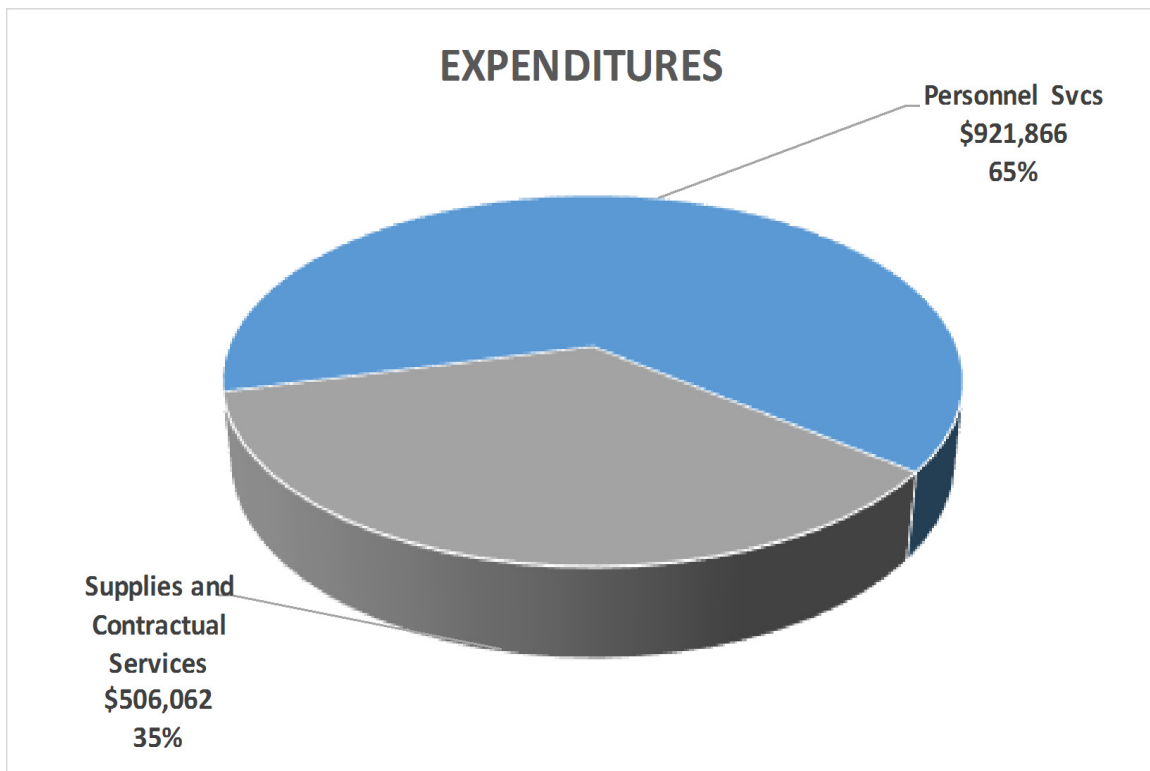
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Human Resources Director	1	1		Human Resources Assistant II	1	1	
Human Resources Technician	1	1		Senior Human Resources Analyst	1	1	
Human Resource Analyst I/II	2	1	1				
TOTAL					6	5	1

* Total temporary FTE: 1

Staff Changes(s): Funded one Human Resources Assistant.

Expenditure Analysis

Personnel Services	Funded one Human Resources Assistant and increase due to negotiated union salaries, benefits and PERS contribution rates
Services and Supplies	Increase due to negotiated union salaries, benefits and PERS contribution rates
Capital Outlay	None.



	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	349,162	387,325	459,695	556,530
4112 Temporary Salaries	32,928	30,390	26,520	25,000
4113 Overtime	460	0	1,000	1,000
4121 Allowances	1,385	250	0	0
4124 Leave Cashout	97,654	313	0	0
4131 PERS	57,997	94,740	128,570	187,784
4132 Group Insurance	57,926	61,472	87,360	107,520
4133 Medicare	7,027	6,204	6,709	8,511
4135 Worker's Compensation	1,126	1,809	2,295	2,890
4138 Deferred Comp-Employer	1,125	3,000	3,600	4,500
4139 PARS	289	453	0	375
4141 Adjustments-Payroll	0	15,000	0	0
4161 Retiree Medical Reserve	17,460	22,908	22,908	27,756
sub-total	624,539	623,864	738,657	921,866
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	33	5,895	6,000	8,000
4220 Supplies	4,095	5,569	4,000	5,000
4230 Services	404,697	434,958	445,500	472,500
4501 Memberships and Dues	1,162	699	1,562	1,562
4503 Training	5,974	27,190	17,000	19,000
sub-total	415,960	474,310	474,062	506,062
CAPITAL OUTLAY				
TOTAL	1,040,499	1,098,174	1,212,719	1,427,928

Blank Page

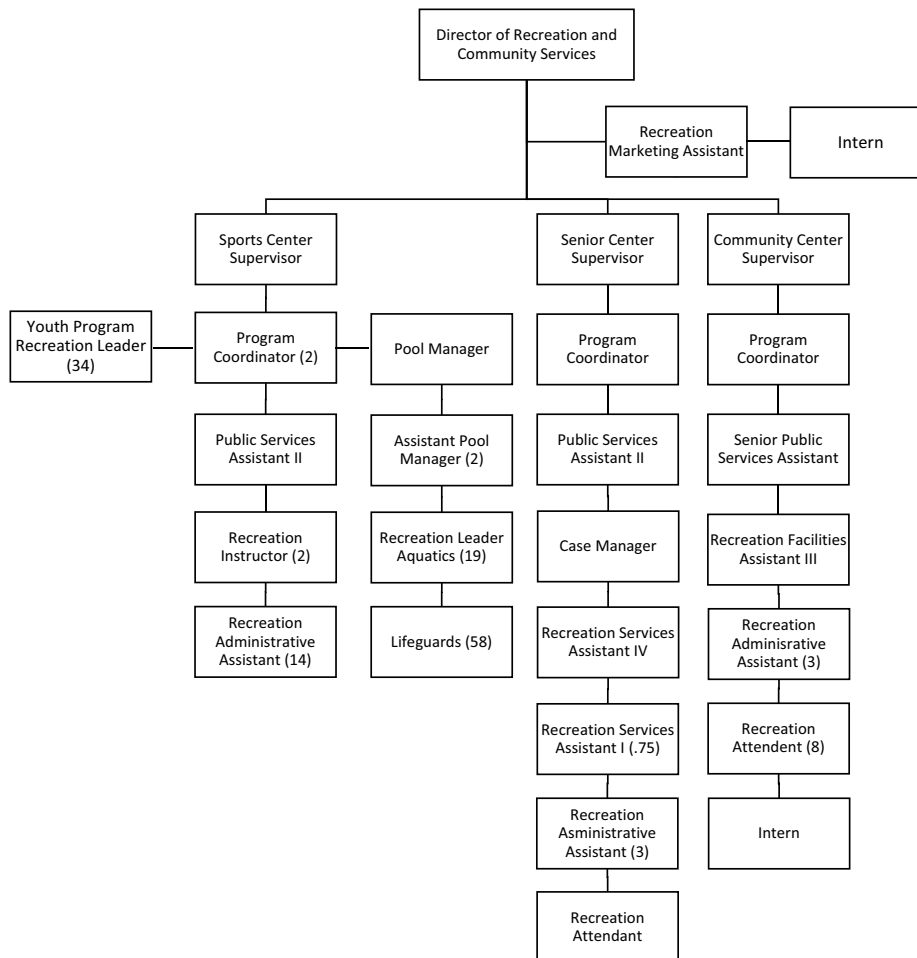
Mission Statement

The City of Milpitas Recreation and Community Services' mission is to enrich our community through exceptional programs and services.

Our vision is to provide endless opportunities to our residents that strengthen community image and sense of place, support economic development, promote health and wellness, foster human development, increase cultural unity, facilitate solutions to community needs and provide recreational experience while preserving and enhancing our city resources.

Functions

Recreation Administration
Senior Citizen Services
Pre-K Enrichment
Youth Programs
Special Events
Marketing
Performing Arts
General Classes
Aquatics
Sports & Fitness
Adult Sports
Volunteer Services



Blank Page

DEPARTMENT: Recreation Services**RECREATION SERVICES DIRECTOR: Renee Lorentzen**

Description: The department provides recreational opportunities and experiences, park and facility rentals for all residents and visitors of Milpitas. We are committed to providing the highest standard of excellence in public service through our programs, events, and interactions with the community. We create a sense of community, support economic development, promote health and wellness, increase cultural awareness and facilitate solutions to community needs. Monitors daily operation at three Full Service Recreation Centers and two Satellite centers. Also oversees and offers a Recreational Assistance program for low income residents.

Services

- Oversees Community Center daily operations, indoor/outdoor recreation facility rentals, sponsor and donation functions, supervises departmental operations, coordinates promotions, public relations, publishes Recreation Activity Guide, and currently staffs five City Commissions. Provides a volunteer program for individuals to help serve their community.
- Monitors daily operation of the Senior Center that provides a daily lunch program, a wide variety of drop-in programs, trips, classes, specials events and social services. Also oversees and offers a Recreational Assistance program for low income residents.
- Oversees the operation of the Sports Center with a Fitness Center, fitness and wellness classes, personal training, aquatic classes, lap swimming, adult and youth sports programs and more.
- Offers Cultural Arts programs - the Phantom Art Gallery, Center Stage Performing Arts, Milpitas Community Concert Band, and the Milpitas Art and Cultural Grant Program.
- Provides a variety of youth classes and programs. Also offers a multitude of programs for children ages 2-5, which provide enriching experiences and emphasizes learning through active play and socialization, including a Pre-K Enrichment program through various vendors. For ages 6-12, Recreation offers a wide-range of youth sports leagues, classes, specialty camps and weekly summer camps which provides recreational opportunities for children to promote healthy living and socialization.

During the school year, After the Bell is offered at five school sites for grades 1-6 and provides several enrichment activities, homework assistance, sports and more.

- Provides City wide special events to the community that includes the 4th of July Celebration, Veterans Day Ceremony, Memorial Day Ceremony, Tree Lighting Event, Summer Concert Series, Summer Movie Night Out, Pumpkins in the Park, Lunar new Event, Food Truck Event Commissioners' Recognition Event and support for the Veterans Car Show.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016-2017 Accomplishments					
1. Provided two new non-traditional youth sports classes/camps such as futsal and indoor soccer.	x	x	x	x	
2. Increased participation in the summer recreation swim program by 4%.	x	x	x	x	
3. Offered California's first official GeoTour and brought over 5,000 people to Milpitas.	x	x			x
4. Department was awarded the NFL Play 60 grant. This \$7,500 grant from the National Football League (NFL) included a wellness themed minicamp visit from San Francisco 49er players.	x	x		x	x
2017-18 Goals					
1. Provide four quarterly Intergenerational Special Events that will engage youth, teens and young adults with our senior population at the Barbara Lee Senior Center.	x	x	x	x	x
2. Increase culturally diverse offerings and experiences through Citywide Special Events.	x	x	x	x	x
3. Host three focus groups to engage the community on their interest in Recreation and Community Services Programs.	x	x	x	x	x
4. Enhance customer service experience of renting City facilities through online calendar availability viewing.	x	x	x	x	

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
Recreation Program and Class Fees	\$1,707,580	\$1,710,440	\$1,870,000	\$1,963,500
Senior Center Membership	1,504	1,514	1,325	1,450
Facility Rental Revenue	\$292,311	\$210,444	\$323,000	\$275,000
Sports Center Yearly Use	66,671	62,016	82,567	86,695

Permanent Personnel Allotment of 18 FTE

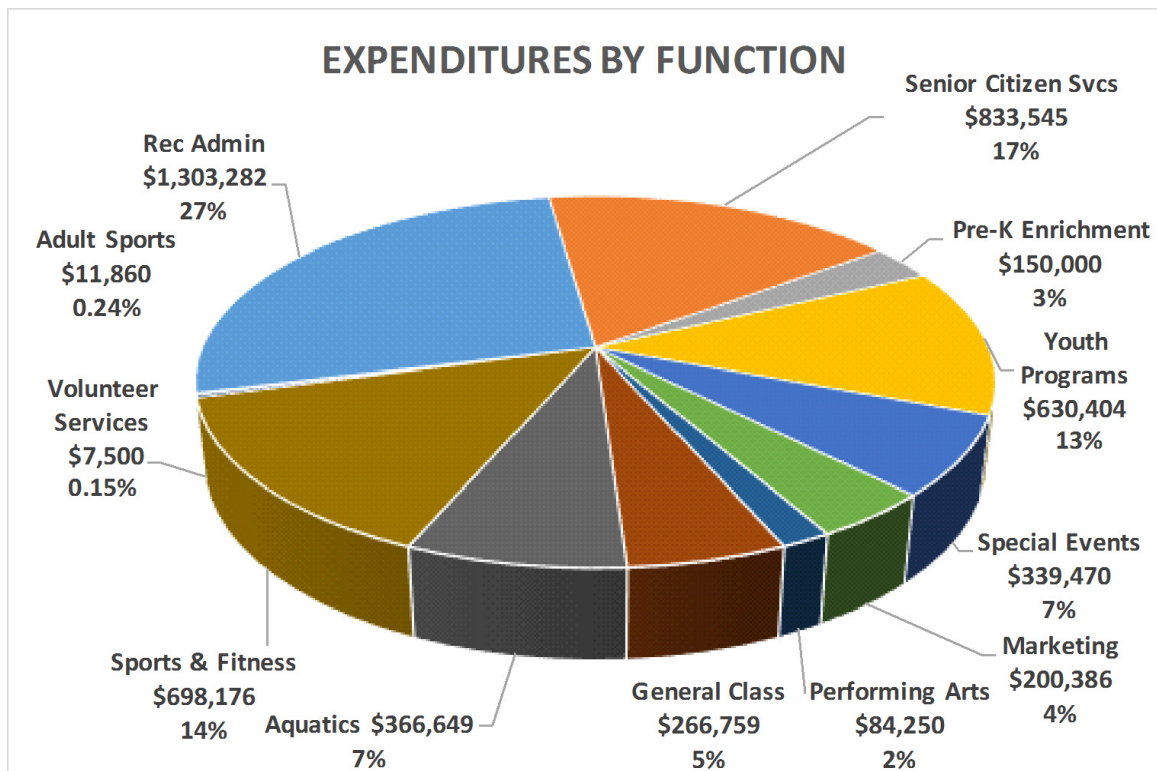
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Director of Rec & Comm Svcs	1	1		Office Assistant II	2		2
Recreation Services Supervisor	3	3		Senior Public Services Asst	1	1	
Case Manager	1	1		Recreation Services Asst I	1	.75	.25
Public Services Assistant II	2	2		Recreation Services Asst III	1	1	
Program Coordinator	4	4		Recreation Services Asst IV	1	1	
Marketing Coordinator	1	1					
				TOTAL	18	15.75	2.25

* Total temporary FTE: 42.5

Staff Changes(s): None.

Expenditure Analysis

Personnel Services	Increase attributed to implementing the minimum wage position and increases due to negotiated union salaries, benefits and PERS contribution rates.
Services and Supplies	Increase due to adding new events
Capital Outlay	None



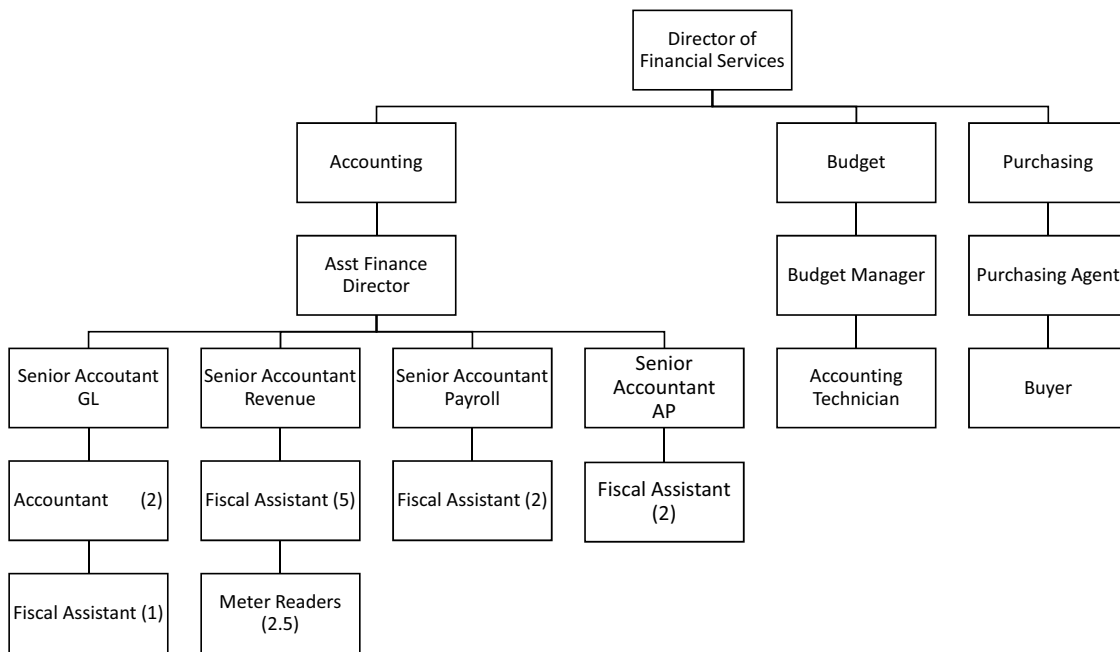
	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	927,426	983,501	1,211,866	1,342,376
4112 Temporary Salaries	795,830	688,118	950,706	1,166,953
4113 Overtime	12,406	10,955	15,000	29,970
4121 Allowances	0	0	0	5
4124 Leave Cashout	27,735	19,819	0	0
4131 PERS	151,041	232,997	339,894	476,807
4132 Group Insurance	240,563	264,468	343,980	338,688
4133 Medicare	25,281	24,568	31,570	36,574
4135 Worker's Compensation	9,997	12,649	18,248	20,607
4138 Deferred Comp-Employer	5,054	12,239	14,400	14,400
4139 PARS	11,206	10,026	13,273	16,418
4161 Retiree Medical Reserve	55,983	55,016	60,509	67,129
sub-total	2,262,523	2,314,356	2,999,446	3,509,927
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	11,865	23,735	18,500	23,500
4211 Equip Replacement Amortization	43,707	58,434	47,605	68,924
4220 Supplies	269,721	281,029	265,393	370,878
4230 Services	728,234	675,858	881,297	900,257
4501 Memberships and Dues	1,530	2,283	3,310	10,400
4503 Training	4,699	5,454	6,800	6,415
4600 Ins, Settlements & Contgcy	1,600	1,980	1,980	1,980
sub-total	1,061,356	1,048,773	1,224,885	1,382,354
CAPITAL OUTLAY				
4870 Machinery & Equipment	0	13,402	0	0
4920 Machinery Tools & Equipment	4,988	7,066	0	0
sub-total	4,988	20,468	0	0
TOTAL	3,328,867	3,383,596	4,224,331	4,892,281

Mission Statement

The Finance Department is dedicated to providing accurate, credible and timely financial information to support sound fiscal management and professional customer service to the residents and business community.

Divisions

Administration
Operations



Blank Page

DEPARTMENT: Finance**FINANCE DIRECTOR: Will Fuentes**

Description: Finance provides a key service role to all departments and manages the City's financial operations in accordance with industry standards and established fiscal policies. Prudent fiscal stewardship, customer service, compliance, strategic planning, transparency and effective financial reporting are key elements of its mission. The department is organized in two divisions, Administration and Operations; each provides essential customer services and internal support to City departments.

Services

- Acts as an adviser to the City Manager, City Council and Departments in the areas of financial planning and fiscal analysis. Provides leadership in the development and implementation of sound financial policies for the City.
- Coordinates the preparation of the Annual Operating Budget that includes projection of revenues and expenditures, organizing and publication of the adopted budget document.
- Prepares the Annual Financial Report in accordance with Generally Accepted Accounting Principles and pronouncements of the Governmental Accounting Standards Board.
- Prepares and maintains accurate financial records including grants, capital projects, enterprise funds, governmental funds, and fixed assets. Files required grant reports.
- Provides operating departments with timely and clear financial performance reports to assist them in their daily decision making. Maintaining a transparent web portal for financial reporting is also a key objective.
- Monitors all the capital projects that have external funding sources to ensure collection.
- Collects and records all City revenues including property tax, sales tax, various service fees, utility payments, business licenses, franchise fees and transient occupancy taxes, among others.
- Provides customer service to the City's utility customers, including billing, new account setups, inquiries and meter readings.
- Provides a full range of procurement services to purchase goods and services at competitive prices and to ensure compliance with Federal and State laws and City ordinances.
- Invests the City's idle cash to ensure that there is sufficient cash flow to meet operating needs while maintaining safety, liquidity and competitive returns on the investment portfolio.
- Manages the City's and Successor Agency's outstanding bonds by ensuring timely payments, performance of arbitrage calculations and filing of required continual disclosure reports.
- Manages all the tort claims against the City and represents the City in the Association of Bay Area Government Pooled Liability Assurance Network (ABAG PLAN).
- Processes all the payments for goods and services timely and accurately.
- Issues payroll checks and benefits payments bi-weekly. Files all the required Federal and State payroll tax withholding reports.
- Provides internal mail service by processing outgoing mail and distributing incoming mail citywide.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016-2017 Accomplishments					
1. Resolved tort claims within 180 days from the date of claim.	x			x	x
2. Received awards for "Distinguished Budget Presentation" and "Excellence in Financial Reporting".				x	
3. Bid frequently used commodities and services to create annualized contracts.	x			x	
4. Provided purchasing and contracts training to departments.	x			x	
5. Implemented and sent out the required Affordable Care Act (ACA) Forms to employees	x			x	
6. Processed invoices for payment within 5 working days from approval date.	x			x	
7. Provided accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.	x			x	
8. Provided 99.9% accuracy on initial meter reads.	x			x	
2017-18 Goals					
1. Resolve tort claims within 180 days from the date of claim.	x			x	x
2. Receive awards for "Distinguished Budget Presentation" and "Excellence in Financial Reporting".				x	
3. Work with City Council and stakeholders to replace lost RDA revenue for capital improvement projects.	x	x		x	x
4. Continue to provide purchasing and contracts training to departments.	x			x	
5. Review and update finance related SOPs (Standard Operating Procedures).	x			x	
6. Begin Automated Water Meter replacement project to provide real time consumption amounts to consumers.	x			x	
7. Process invoices for payment within 5 working days from approval date.	x			x	
8. Provide accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.	x			x	
9. Provide 99.9% accuracy on initial meter reads.	x			x	

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
Consecutive years in receiving awards for: Distinguished Budget Presentation	15	16	17	18
Excellence in Financial Reporting	22	23	24	25
Percent of tort claims resolved within 180 days	96%	96%	96%	96%
Average turn around time of A/P invoices (days)	5	5	5	5
Average turn around time of purchase requisitions (days)	10	10	10	10
Percent of accurate meter reads	99.9%	99.9%	99.9%	99.9%

Permanent Personnel Allotment of 31 FTE

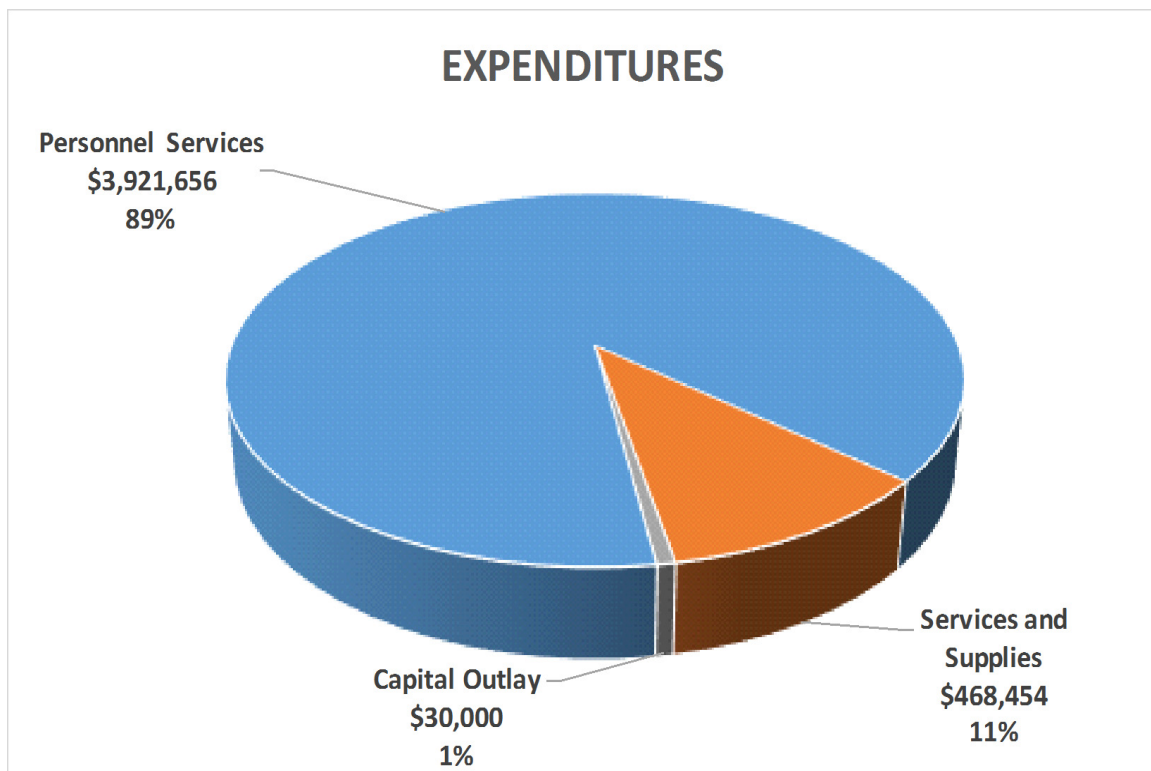
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Director of Financial Services	1	1		Office Specialist	1		1
Buyer	1	1		Financial Analyst II	1		1
Budget Manager	1	1		Purchasing Agent	1	1	
Accounting Technician	1	1		Assistant Finance Director	1	1	
Water Meter Reader II	3	2.5	.5	Accountant	3	2	1
Senior Fiscal Assistant	1		1	Fiscal Assistant I/II	11	10	1
Finance Manager	1		1	Senior Accountant	4	4	
TOTAL					31	24.5	6.5

* Total temporary FTE: 3

Staff Changes(s): Fund one Senior Accountant.

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes mentioned above.
Services and Supplies	No significant increases
Capital Outlay	Include Smart Water Meters.



	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	1,521,439	1,730,231	2,100,768	2,370,157
4112 Temporary Salaries	88,978	117,178	76,800	84,480
4113 Overtime	21,656	14,884	5,000	15,000
4121 Allowances	6,028	2,981	0	0
4124 Leave Cashout	30,198	57,968	0	0
4125 Accrued Leave	8,534	(5,078)	0	0
4131 PERS	250,287	409,355	569,107	783,725
4132 Group Insurance	353,826	370,350	513,240	526,848
4133 Medicare	23,958	28,168	31,771	35,126
4135 Worker's Compensation	9,004	10,129	14,151	14,529
4138 Deferred Comp-Employer	5,188	17,710	18,900	19,800
4139 PARS	945	1,410	1,152	1,268
4143 Charged to CIPs	0	0	(45,000)	(45,000)
4161 Retiree Medical Reserve	96,036	100,260	104,421	115,723
sub-total	<u>2,416,075</u>	<u>2,855,547</u>	<u>3,390,310</u>	<u>3,921,656</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	15,133	14,161	3,050	23,619
4220 Supplies	97,473	108,137	110,550	120,350
4230 Services	376,602	309,474	320,550	296,450
4501 Memberships and Dues	2,049	1,852	1,915	2,150
4503 Training	3,602	12,377	18,385	25,885
sub-total	<u>494,860</u>	<u>446,001</u>	<u>454,450</u>	<u>468,454</u>
CAPITAL OUTLAY				
4850 Vehicles	1,168	7,504	0	0
4920 Machinery Tools & Equipment	16,804	392	0	0
4930 Hydrants & Meters	0	0	30,000	30,000
sub-total	<u>17,972</u>	<u>7,896</u>	<u>30,000</u>	<u>30,000</u>
TOTAL	<u><u>2,928,907</u></u>	<u><u>3,309,444</u></u>	<u><u>3,874,760</u></u>	<u><u>4,420,110</u></u>

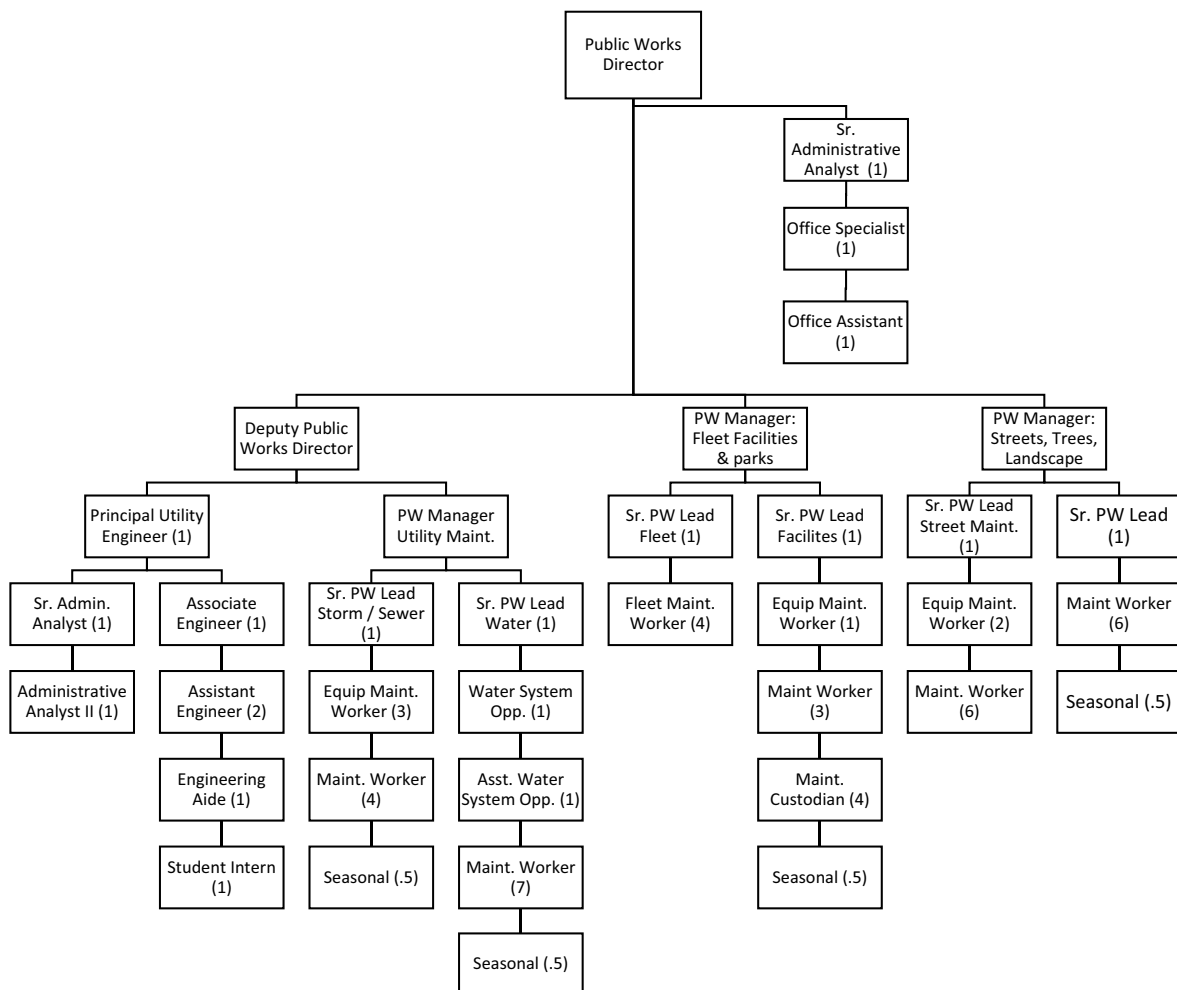
Mission Statement

The Public Works Department is committed to enhancing the quality of life and ensuring public health and safety in the community by providing:

Quality and responsive service and resources to operate and maintain the infrastructure in a safe, timely and efficient manner.

Functions

Public Works Administration
 Street Maintenance
 Utility Engineering
 Utility Maintenance
 Park Maintenance
 Trees & Landscape Maintenance
 Fleet Maintenance
 Facilities Maintenance



Blank Page

DEPARTMENT: Public Works**PUBLIC WORKS DIRECTOR: Nina Hawk**

Description: The Public Works Department operates and maintains the City's infrastructure and facilities including public streets, utilities, parks, street landscaping, City vehicles, and City buildings. The eight functions are Administration, Streets Maintenance, Utility Engineering, Utility Operations and Maintenance, Trees and Street Landscaping, Fleet Maintenance, and Facilities Maintenance.

Services

- Provides management, direction and coordination for the operation, maintenance, cleaning, and repair of City infrastructure and equipment assets. Responds to over 18,000 customer service calls and 2,800 work order requests annually.
- Maintains the City's traffic signal system, traffic signs, street lights, paved roadways, and pavement markings in accordance with the Clean & Safe Streets program and State Code requirements.
- Provides sidewalk repair, right-of-way weed abatement, and graffiti removal.
- Operates and maintains the water distribution system, including 206 miles of water lines, 4 pumping stations, 5 storage reservoirs, and numerous pressure valves regulating 7 pressure zones, to deliver 11 million gallons per day of potable water to 19,000 accounts.
- Provides engineering support and ensures compliance with regulatory permits for the City's water, sewer, and stormwater systems.
- Operates and maintains the sewer collection system, including 175 miles of sewer lines and 2 pumping stations to discharge 8 million gallons per day to the San Jose/Santa Clara Water Pollution Control Plant.
- Operates and maintains the stormwater collection system, including 105 miles of storm pipe and 13 pump stations to transmit storm water through the levees to creeks.
- Marks out locations of City's underground utilities (water, sewer, storm, and traffic communication fiber) to protect against construction damage to these underground assets.
- Provides park maintenance for more than 170 acres of parkland, including playgrounds, picnic areas, athletic fields, pathways, landscaping, park restrooms, park trees, lagoons, and parking lots.
- Maintains more than 15,400 trees and 125 acres of median landscaping, including City tree planting and pruning, trails, and litter control.
- Maintains and repairs City vehicles and motorized equipment including police vehicles, fire apparatus, construction equipment, mowers, and communication radios.
- Maintains City buildings and grounds, including building systems (plumbing, electrical, heating, air conditioning, and ventilation; and backup power). Sets up rooms for rental groups and meetings. Manages custodial and janitorial services.



	Superior Customer Service	Open Communication	Trust and Respect	Integrity & Accountability	Recognition & Celebration
Accomplishments 2016-17					
1. Streamlined contracting process: California Uniform Public Construction Cost Accounting Act (CUPCCAA)			x	x	
2. Centralized Customer Services Requests Citywide through the use of milpitasworks@ci.milpitas.ca.gov	x	x	x	x	
3. Deployed technology upgrades and training for mobile computerized maintenance management/customer service requests via handheld devices	x	x	x	x	
4. Completed significant backlog of sidewalk repairs, approximately 5,700 square feet	x		x	x	
5. Minimized public impact and infrastructure damage from storm season through proper planning, preventative maintenance and response	x	x	x	x	
6. Completed two drought response ordinances related to the Emergency Statewide Drought and associated community outreach	x	x	x	x	
7. Procured and retrofitted two response trailers for Public Works Maintenance Response	x	x	x	x	
2017-18 Goals					
1. Increase regularly scheduled preventative streetscape maintenance to biweekly with in-house resources	x	x	x	x	
2. Reduce staff time spent repairing pavement failures by 25% through the utilization of a specialized asphalt repair truck equipped with GPS-based telematics system	x		x	x	
3. Complete Citywide Tree Assessment to effectively plan for long-term tree rehabilitation and replacement beginning in FY 2017-18	x	x	x	x	
4. Utilize new mobile truck and camera technology to assess 30 miles of sanitary sewer pipeline annually in order to prioritize replacement and rehabilitation	x		x	x	
5. Roll out and fully deploy water meter service software for customer use including water service interruption and updates	x	x	x	x	
6. Complete emergency backup power for the City's care and shelter facility	x		x	x	

Activity / Program	FY 2016-2017 Projected	FY 2017-2018 Estimated
Customer Service Calls	18,000	20,000
Work Orders Completed (%)Work Orders Issued	99.4% 2,800	100% 3,000
Total Contract Amounts (\$)CUPCCAA Contracts Executed	\$236k 8 Contracts	\$500k 16 Contracts
Square Footage CompletedSidewalk Repair Completed (%)	11,200 SF 204%	5,500 SF 100%
Weed Abatement (Linear Feet)	1.21 Million LF	3.3 Million LF
% of Annual Goal (3,089 Trees)Trees Pruned	41.8% 1,293	115% 3,553
Facilities Operable 24/7	99.99%	100%
Fleet Repairs Completed (Quantity)	785	900
Average Fleet Unit Downtime (Hours)	2.87	3
Met Regulatory Standards for Water Quality	100%	100%
Sewer Pipeline Cleaning	60 miles	60 miles
Sewer Pipeline Assessment	N/A	30 miles
Storm Pump Station Operable During Storm Season	100%	100%

Description	Average Assessment Time (Business Days)	Average Time to Resolution (Business Days)
Urgent water leaks/breaks	Immediate	2 days
Nonurgent water leaks/breaks	Same day	2 weeks
Nonurgent sewer backup*	Same day	2 days
Street lights	1 day	3 days**
Traffic signals	Immediate	3 days**
Standard street signs	1 day	3 days
Non-standard street signs	1 day	2 weeks**
Trees - assessment	1 day	1 day
Trees - trimming	1 day	2 weeks
Trees - hazardous conditions	Same day	1 day
Weed abatement - manual removal	1 day	2 weeks
Sidewalk hazards	1 day	2 weeks
Potholes	1 day	3 days
Graffiti	1 day	1 week
Roadway debris	Immediate	Same day
Facilities mechanical/HVAC/electrical/plumbing	1 day	2 days**
Facilities structural - roof leaks, floor surfaces, etc.	1 day	2 days**

* Does not apply to sanitary sewer overflows (SSO)

** Pending availability of parts and equipment

Permanent Personnel Allotment of 104 FTE

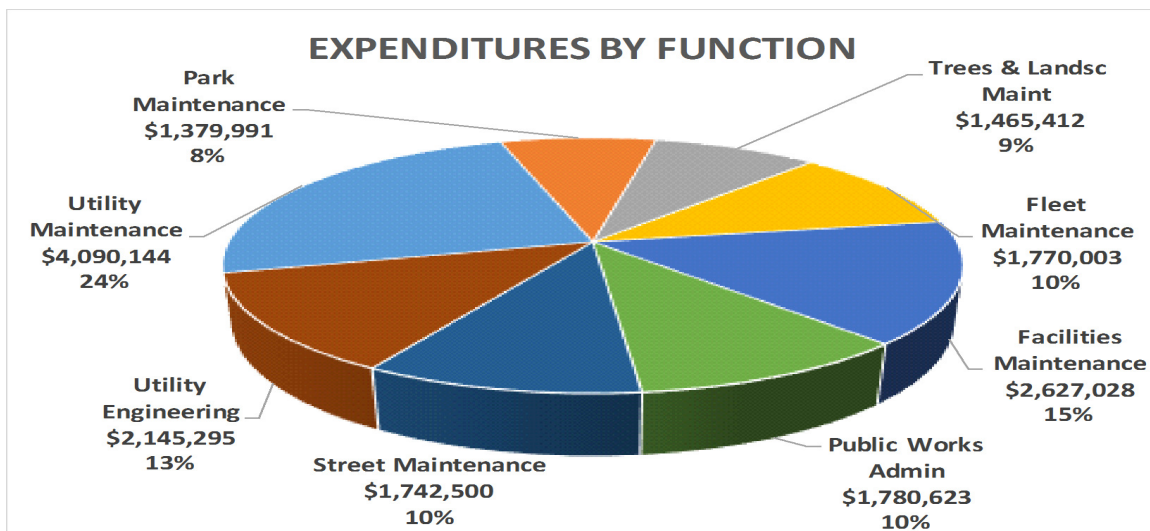
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
PW Director	1	1		Office Specialist	2	1	1
Deputy Public Works Director	1	1		Office Assistant II	1	1	
Public Works Manager	3	3		Administrative Analyst II	2	2	
Senior Maintenance Supervisor	4		4	Maintenance Worker I-37.5	2	2	
Equipment Maint Worker II	3	3		Maintenance Worker II-37.5	39	18	21
Equipment Maint Worker III	3	3		Maintenance Worker III	17	8	9
Senior Public Works Lead	6	6		Associate Civil Engineer	2	2	
Principal Civil Engineer	1	1		Assistant Civil Engineer	1	1	
Engineering Aide	1	1		Maintenance Supervisor-37.5	2		2
Assistant Water Operator	1	1		Maintenance Custodian I-40 hr	1		1
Fleet Maintenance Worker II	3	3		Maintenance Custodian II	3	3	
Fleet Maintenance Worker III	1	1		Maintenance Custodian III	1	1	
Fleet Maintenance Supervisor	1		1	Water System Operator	1	1	
Senior Admin Analyst	1	1					
				TOTAL	104	65	39

* Total temporary FTE: 3.5

Staff Changes(s): Fund one Equipment Maintenance Worker II, two Maintenance Worker I, Three Maintenance Worker II, two Maintenance Worker III and one Sr. Public Works Lead. Moved Seven positions from Engineering and reorganized them to be: Principal engineer, two Associate Civil Engineer, one Assistant Civil Engineer, one Engineering aide and one Senior Administrative Analyst. Reclass one Administrative Analyst to Sr. Administrative analyst.

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes mentioned above.
Services and Supplies	Increase mainly attributed to increase in repairs & maintenance and cost escalation in contractual services.
Capital Outlay	Increase attributed to purchase of replacement tractor/backhoe and new F350 for Utilities division.



	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	2,824,828	3,229,536	3,999,997	6,210,936
4112 Temporary Salaries	234,865	320,328	210,000	201,000
4113 Overtime	147,055	195,200	220,950	301,400
4121 Allowances	81,036	81,050	131,300	120,000
4124 Leave Cashout	88,309	101,852	0	0
4125 Accrued Leave	69,856	35,199	0	0
4131 PERS	740,614	911,089	1,214,014	2,061,038
4132 Group Insurance	866,119	891,825	1,004,640	1,397,760
4133 Medicare	47,785	55,226	58,123	91,518
4135 Worker's Compensation	63,020	56,889	84,395	89,688
4138 Deferred Comp-Employer	1,786	3,912	6,300	13,628
4139 PARS	1,244	2,413	3,600	3,916
4161 Retiree Medical Reserve	144,877	157,008	184,779	284,870
sub-total	5,311,394	6,041,527	7,118,098	10,775,754
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	0	0	25,000
4211 Equip Replacement Amortization	558,086	558,335	703,251	597,162
4220 Supplies	955,155	910,326	1,132,627	1,149,475
4230 Services	3,278,556	3,747,531	3,906,500	4,053,000
4410 Communications	975	5,326	1,800	7,200
4420 Utilities	91,404	97,869	122,200	152,215
4501 Memberships and Dues	4,165	3,910	7,070	18,260
4503 Training	13,589	17,557	39,800	92,930
4600 Ins, Settlements & Contgcy	4,567,969	4,605,501	0	0
sub-total	9,469,899	9,946,355	5,913,248	6,095,242
CAPITAL OUTLAY				
4850 Vehicles	0	0	89,200	0
4870 Machinery & Equipment	14,936	0	0	0
4920 Machinery Tools & Equipment	2,801	1,691	0	0
4930 Hydrants & Meters	135,221	(41,513)	130,000	130,000
sub-total	152,957	(39,822)	219,200	130,000
TOTAL	14,934,250	15,948,060	13,250,546	17,000,996

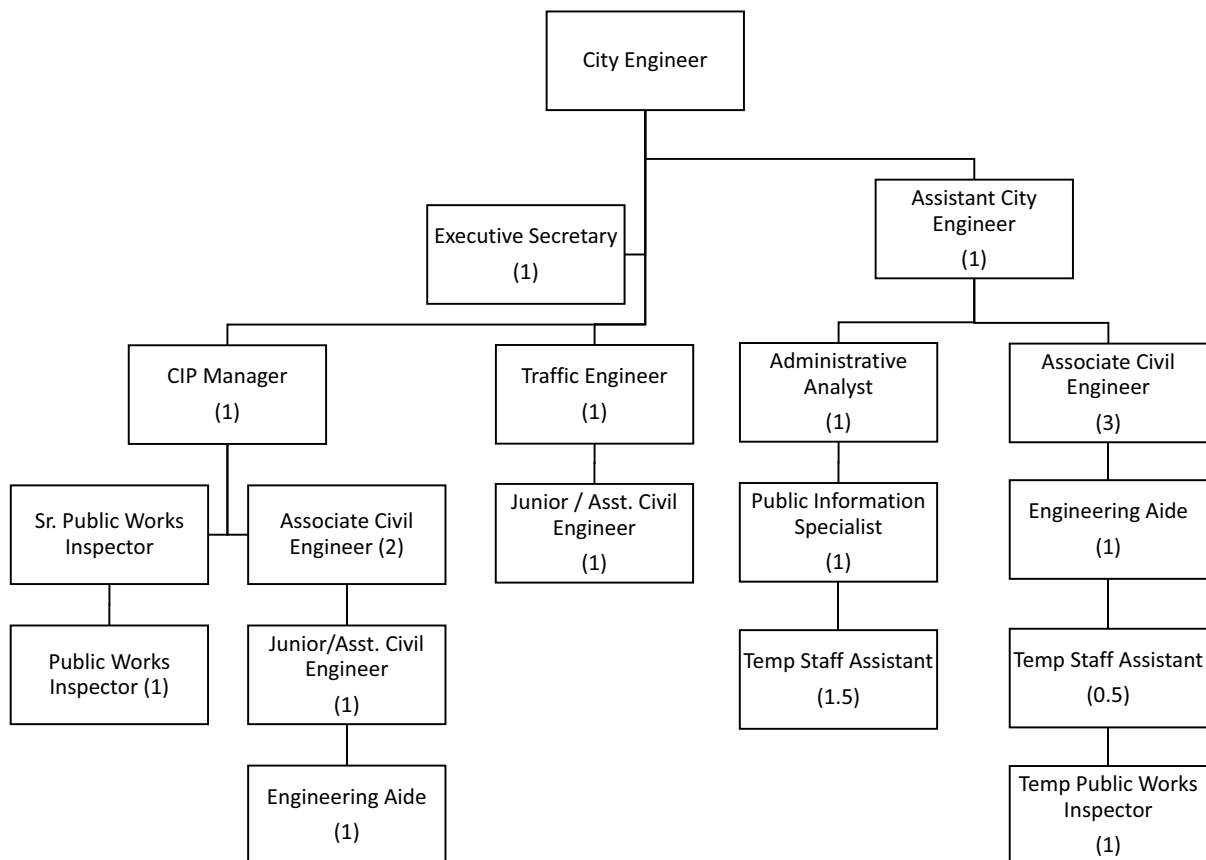
Blank Page

Mission Statement

The Engineering Division provides the resources to enhance the City infrastructure through the design, management, and construction of public improvements and the management of various public works programs in a safe, coordinated, timely, and cost effective manner with responsive service to the entire community.

Functions

Engineering Administration
Design & Construction
Land Development
Traffic



Blank Page

DEPARTMENT: Engineering**INTERIM ENGINEERING DIRECTOR: GREG CHUNG**

Description: This department provides professional engineering services for the design, review, construction, and inspection of public infrastructure which impacts the public right-of-way or the public's use and enjoyment of municipal facilities or services. The department manages encroachments in the public right-of-way, subdivisions of land, compliance with local, state, and federal regulations, and other services for the community including water, recycled water, sewer, storm drain, storm water quality, flood control, easements, maps, garbage, and recycling. The Engineering Department participates in regional programs and coordinates with regional agencies in the areas of flood control, water supply, urban runoff, sewer treatment, transportation and recycling. The engineering functions are Design & Construction, Land Development, Traffic, and Utilities.

Services

- The Director of Engineering leads the Division including allocation of resources, assignments, and staff development to ensure that City infrastructure is constructed in accordance with City codes, state and federal regulations, and industry standards to protect public health and safety.
- The Design & Construction Civil Engineers prepare and review construction plans for public infrastructure. Planning and management of the Capital Improvement Program, including design and construction and project management of the City's street, water, sewer, storm drain, parks, and community projects.
- The Land Development Civil Engineers regulate right-of-way encroachments and review private development plans and subdivision maps for conformance with City Standards and local, state and federal regulations. They ensure that private development projects provide all necessary public infrastructure and manage development documents including Encroachment Permits, Right of Way Vacations, Dedication of Easements, Lot Line Adjustment, maintains Floodplain Management records and Community Rating System (CRS) standing. They also maintain as-built drawings, deeds, maps, assessment district diagrams, flood control documents.
- Traffic Engineering services consist of technical review and evaluation of traffic system design construction and operations to ensure safe and efficient

operations of the City street system. Traffic engineering also includes review private development projects and regional and adjacent municipality transportation projects to determine their traffic impacts to the City's transportation system.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016-2017 Accomplishments					
1. Completed construction of the Library Parking Garage fire door Improvements.	x	x	x	x	
2. Completed construction of the Sports Center Field Improvements.	x	x	x	x	x
3. Completed resurfacing improvements to ten City owned bridges.	x	x	x	x	
4. Completed Construction of levee repairs to Wringley Creek.	x	x	x	x	
5. Completed installation of electric vehicle charging stations at City Hall and Library Parking Garages.	x	x	x	x	
6. Completed construction of Level 2 Electric Car Charging Stations at City Parking Facilities.	x	x	x	x	
7. Completed 2016 Street Resurfacing Improvements.	x	x	x	x	
2017-18 Goals					
1. Complete construction of decorative street light installation along South Main Street from Carlo Avenue to Corning Avenue.	x	x	x	x	
2. Complete construction of Daniel Court water line replacement.	x	x	x	x	
3. Complete construction of 2016 Road Rehabilitation Project.	x	x	x	x	
4. Complete construction of Higuera Adobe Park Improvements	x	x	x	x	x
5. Complete construction of McCandless Park Improvements	x	x	x	x	x

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
Contracts Awarded/Value	8/5.6M	8/10.5M	8/15M	8/18M
Meet all water quality standards for potable water distribution	100%	100%	100%	100%
Achieve solid waste diversion rate goal of at least 50%	Yes	Yes	Yes	Yes
Review first submittals of private development plans within 20 working days	85%	85%	25%	50%
Encroachment Permits Processed	190	178	158	160
Development agreements prepared for Council	5	6	10	8
Engineering and traffic surveys	15	10	10	10
Grant applications submitted	10	10	8	8
Projects completed (initial acceptances)	6	7	9	9

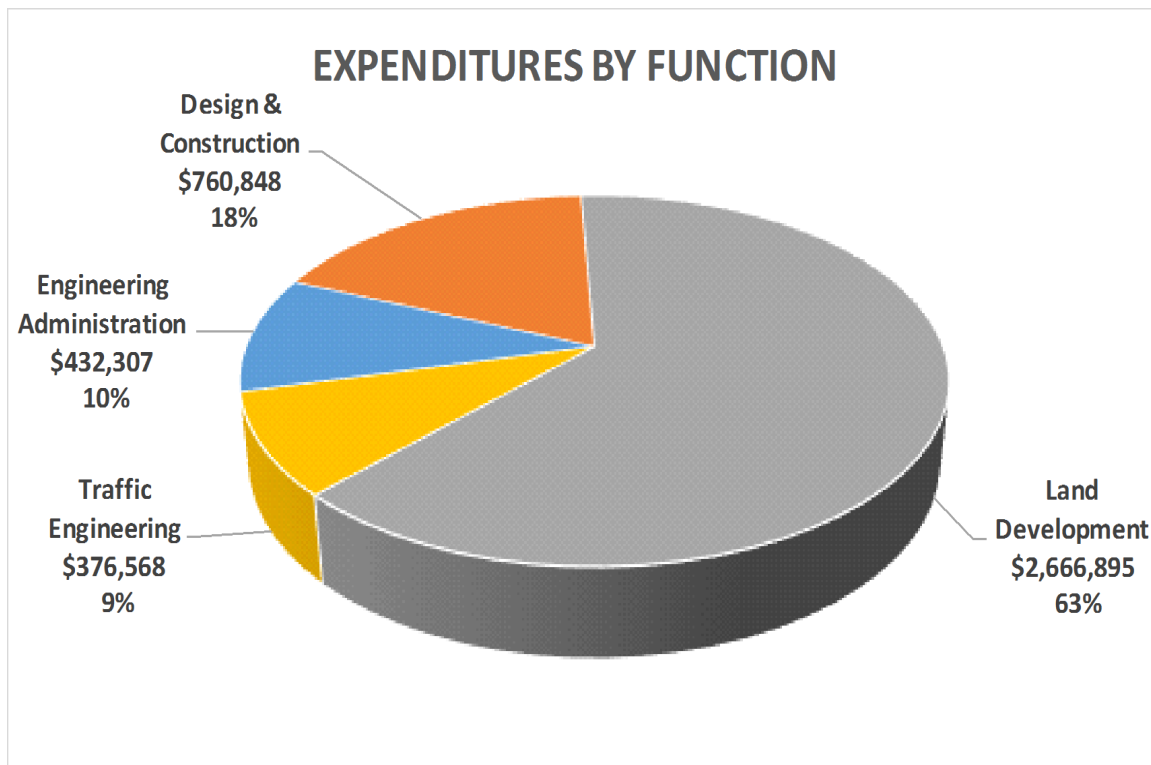
Permanent Personnel Allotment of 29 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Engineer	1	1		Secretary	1	1	
Senior Public Works Inspector	1	1		Assistant Civil Engineer	5	2	3
Principal Civil Engineer	1		1	Public Works Inspector	4	1	3
Associate Civil Engineer	6	5	1	CIP Manager	1	1	
Engineering Aide	2	2		Engineering Permit Technician	1		1
C A D Technician	1		1	Administrative Analyst II	1	1	
Public Information Specialist	1	1		Assist Transportation Planner	1		1
Traffic Engineer	1	1		Assistant City Engineer	1	1	
TOTAL					29	18	11

* Total temporary FTE: 3.5

Staff Changes(s): Reclassify one temporary Public Works Inspector position to a permanent Public Works Inspector and add an Engineering Aide and defund Engineering Permit Tech and Assistant Transportation Planner

Expenditure Analysis	
Personnel Services	Decrease due to moving Utility engineering to Public Works, Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes mentioned above.
Services and Supplies	Moved Utility engineering to Public Works.
Capital Outlay	None



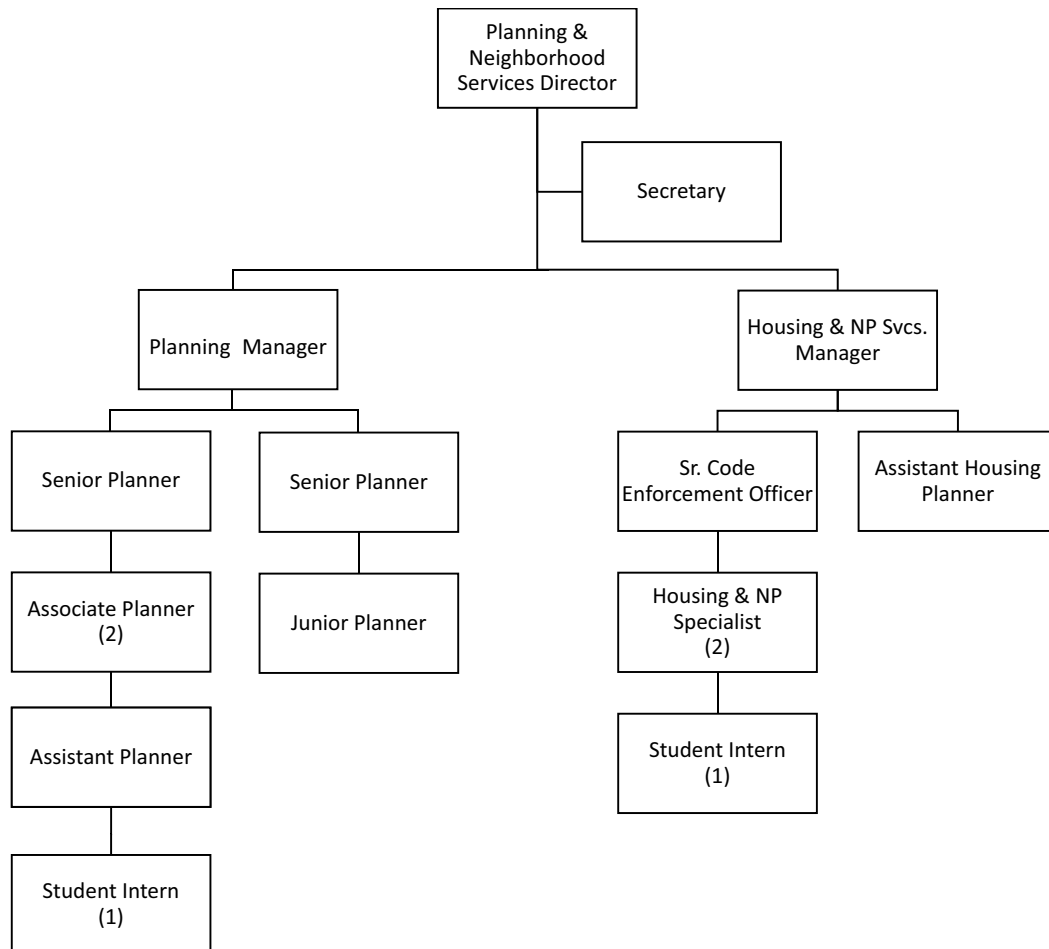
	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	1,720,632	1,659,430	2,923,897	2,234,126
4112 Temporary Salaries	58,469	67,428	307,168	160,719
4113 Overtime	22,693	16,686	61,900	49,000
4121 Allowances	3,778	11,794	0	0
4124 Leave Cashout	93,004	109,718	0	0
4125 Accrued Leave	29,148	(55,555)	0	0
4131 PERS	264,101	392,762	837,604	785,371
4132 Group Insurance	340,863	327,770	589,680	408,575
4133 Medicare	25,822	25,101	45,119	34,733
4135 Worker's Compensation	9,821	12,192	18,053	15,285
4138 Deferred Comp-Employer	7,177	15,728	22,500	17,100
4139 PARS	580	587	0	765
4143 Charged to CIPs	0	0	(904,557)	(910,117)
4161 Retiree Medical Reserve	120,472	140,903	154,579	115,780
sub-total	2,696,560	2,724,544	4,055,943	2,911,337
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	163,295	193,323	201,700	173,700
4211 Equip Replacement Amortization	18,199	11,263	30,783	27,686
4220 Supplies	13,084	16,698	22,150	16,450
4230 Services	2,324,129	3,628,753	1,712,450	1,095,300
4501 Memberships and Dues	12,406	9,209	19,150	3,145
4503 Training	1,257	6,450	27,700	9,000
sub-total	2,532,371	3,865,697	2,013,933	1,325,281
CAPITAL OUTLAY				
TOTAL	5,228,930	6,590,241	6,069,876	4,236,618

Mission Statement

The Planning and Neighborhood Services Department promotes and facilitates high quality of life through community partnerships, innovation, vision, and exemplary customer service to ensure a vibrant Milpitas.

Divisions

Planning
Housing and Neighborhood Services



Blank Page

DEPARTMENT: Planning & NS**PLAN & NEIGH SVCS DIRECTOR: Bradley Misner**

Description: The Planning & Neighborhood Services Department assists residents, businesses, and the development community to understand City Zoning regulations, the Neighborhood Beautification Ordinance, the General Plan, and the development review and code compliance processes. To deliver these services, Department staff ensures that all planning applications, environmental assessments, code compliance issues, and housing related issues are compliant with applicable Federal, State, and Local regulations including the City's General Plan, Zoning Ordinance, and Housing Element. The Department promotes informed decision making, which facilitates sustainable development, affordable housing, and reinvestment in the community through periodic updates to the City's General Plan, specific plans, and zoning ordinance. Department Staff supports the Planning Commission, Milpitas Successor Agency, Milpitas Housing Agency, Economic Development Corporation, and various commissions and subcommittees of the City Council. The Department implements housing, neighborhood preservation, and code enforcement programs, including affordable housing and rehabilitation programs, graffiti, shopping cart, and abandoned vehicle abatement, and oversees the fair housing services and animal control regulations.

Services

- Prepares long-range planning analysis documents and assists other departments in preparing special-purpose long range plans. Staff also, ensures new development is in compliance with land use policies and zoning regulations. Coordinates with outside agencies concerning regional planning, environmental, and transportation issues and maintains city information on demographics and municipal boundaries.
- Performs and coordinates review of land development applications, oversees implementation of Zoning Ordinance and planning policies and maintains them in compliance with State and Federal regulations, conducts environmental review assessments, provides public information on land development regulations and processes.
- Responds to public service requests to ensure residential, commercial, and industrial properties are maintained in accordance with city regulations. Additionally, staff administers programs for neighborhood beautification, graffiti abatement, abandoned vehicles, shopping carts, and animal control.
- Administers the Community Development Block Grant (CDBG) program, the housing rehabilitation loan program, and housing authority.
- Provides staff support to the Planning Commission, Community Advisory Commission, Library Advisory Commission, and Economic Development Commission.
- Assists developers in obtaining planning entitlement permits and coordinates development review from pre-planning consultation to initial submittal through permit approval.
- Implements the Transit Area Specific Plan, and the Mid-Town Specific Plan, by providing a single point of contact for the development community, and coordinates all City Departments when reviewing development proposals.
- Provides planning and permit submittal information to the public and responds to code-related questions in person, by telephone, e-mail, through the City's web site, and on My Milpitas App.
- Provides and updates planning permit submittal requirements, checklists, design guidelines and publications to assist in a streamlined permit application process.
- Coordinates with the City Manager's Office in working with regional organizations, existing and prospective Milpitas firms and with local and international ties to strengthen Milpitas' position in the Bay Area/Silicon Valley global economy.

	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016-2017 Accomplishments					
1. Improved development and cross-training for staff.	x		x		
2. Initiated creation of Development Handbook.	x		x	x	
3. Updated Tree Ordinance.	x			x	
4. Initiated two-year General Plan update process and manage the publicprocess.	x	x		x	
5. Expanded Outreach for CDBG Home Repair Program.	x	x			x
6. Initiated the 2017-2022 Consolidated Plan.		x		x	
7. Initiated Nexus Study to establish affordable housing fee.		x		x	
2017-18 Goals					
1. Provide staff development and cross-training.	x		x		
2. Initiate implementation of the City Gateway Tree Planting project.		x			
3. Initiate Mid-town Specific Plan Update.	x	x			
4. Reorganize the Code Compliance functions.	x		x		
5. Finalize Development Review Handbook.	x				
6. Initiate Design Review improvements.	x	x			
7. Increase planning staff attendance at regional meetings, conferences			x	x	x
8. Increase Affordable Housing development	x				
9. Initiate update of the Transit Area Specific Plan	x	x			x
10. Initiate Zoning Ordinance amendments to streamline process and to comply with State law	x				
11. Maintain the General Plan update schedule.	x	x		x	

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
Percentage of Use Permit applications processed within 3 months of being deemed complete.	70%	70%	80%	90%
Percentage of Minor Site Development applications processed within 2 months.	82%	90%	90%	85%
Planning Division customer contacts.	3,496	3,200	3,600	4,400
Number of Milpitas residents served by CDBG funds.	3,584	2,400	3,942	4,000
Neighborhood Preservation customer service requests.	725	755	800	850
Percentage of cases in compliance within 30 days of receipt.	500*	500*	550*	90
Percentage of graffiti violations abated within 30 days.	15*	20*	15*	85
Abandoned vehicles abated on private property.	160	85	90	90

* previous year's metric were based on number of cases, 17-18 estimated metric is a percentage.

Permanent Personnel Allotment of 18 FTE

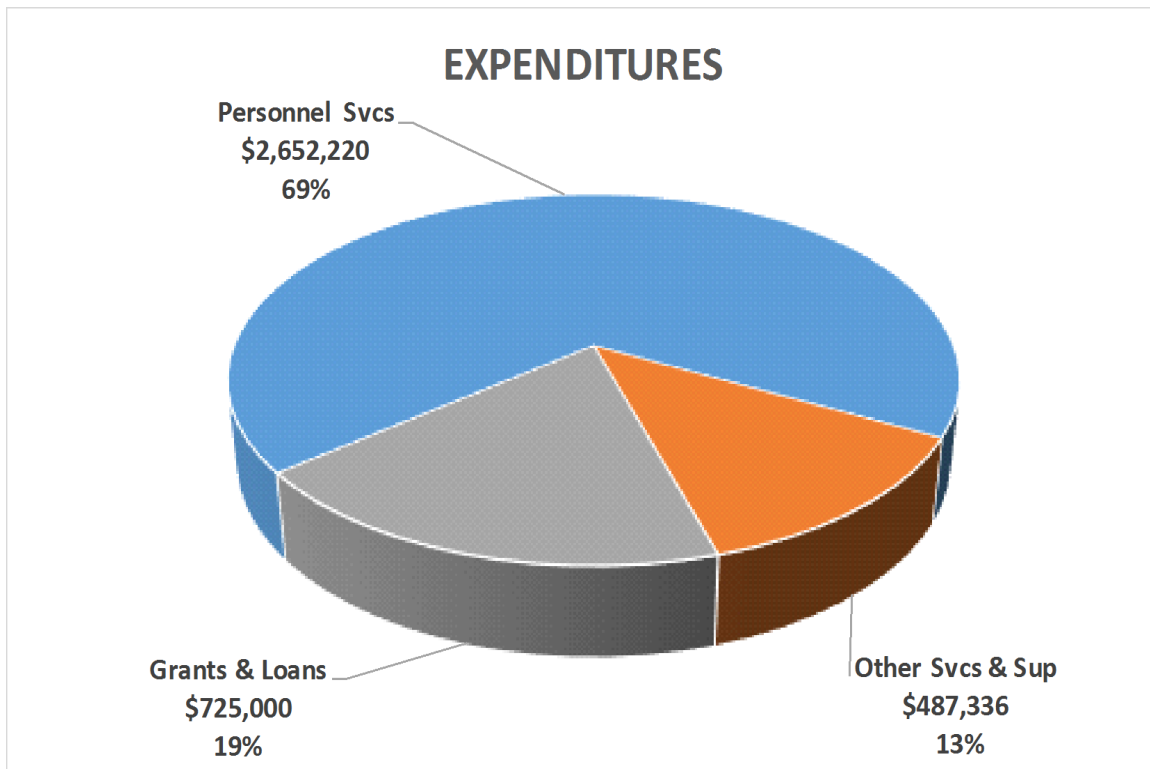
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Planning & Neigh Svcs Director	1	1		Office Specialist	2		2
Associate Planner	2	2		Planning Manager	1	1	
Senior Planner	2	2		Secretary	1	1	
Junior Planner	1	1		Housing Neighborh'd Specialist	3	2	1
Sr. Code Enforcement Officer	1	1		Assistant Planner	2	2	
Housing & Neigh Svcs Manager	1	1					
				TOTAL	17	14	3

* Total temporary FTE: 1

Staff Changes(s): None.

Expenditure Analysis

Personnel Services	Increase due to adding Planning Manager & two Associate planners midyear. Reduced Temporary Salaries. Increase due to negotiated Union salary, benefits and PERS contribution rates.
Services and Supplies	Decrease due to reduction in consultant services in order to fund permanent staff.
Capital Outlay	None



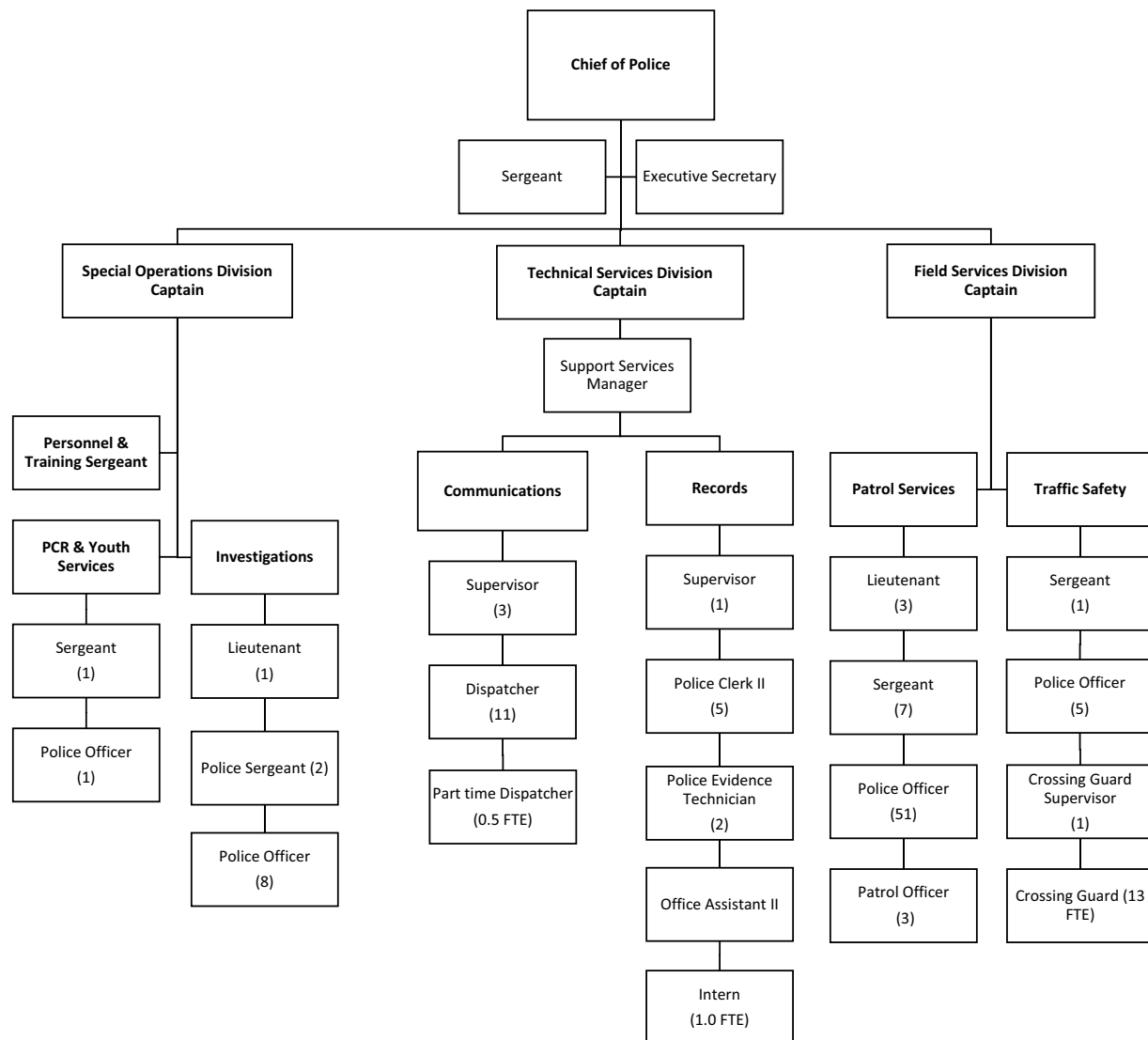
	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	1,010,368	817,863	1,173,092	1,631,671
4112 Temporary Salaries	119,460	270,196	98,000	34,000
4113 Overtime	265	1,724	8,000	8,037
4121 Allowances	415	0	0	0
4124 Leave Cashout	83,031	16,196	0	0
4131 PERS	170,349	224,939	314,123	550,313
4132 Group Insurance	173,458	139,342	240,240	301,056
4133 Medicare	17,603	15,944	18,146	24,335
4135 Worker's Compensation	3,864	4,902	6,330	8,303
4138 Deferred Comp-Employer	5,341	7,209	9,900	12,600
4139 PARS	958	1,656	1,456	510
4161 Retiree Medical Reserve	59,340	59,504	58,565	81,395
sub-total	1,644,452	1,559,475	1,927,852	2,652,220
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	327,103	316,929	725,000	725,000
4211 Equip Replacement Amortization	12,076	12,701	13,464	15,285
4220 Supplies	19,203	19,498	12,700	12,000
4230 Services	549,595	837,746	959,808	438,341
4501 Memberships and Dues	3,020	1,194	3,055	5,450
4503 Training	14,870	7,088	15,560	16,260
sub-total	925,866	1,195,156	1,729,587	1,212,336
CAPITAL OUTLAY				
TOTAL	2,570,318	2,754,631	3,657,439	3,864,556

Mission Statement

The Milpitas Police Department is committed to the protection of lives and property by working with our community and providing professional and responsive police services.

Divisions

Police Administration
Special Operations
Technical Services
Field Services



Blank Page

DEPARTMENT: Police

POLICE CHIEF: Steve Pangelinan

Description: This department provides 24 hours-a-day, 365 days-a-year policing services to the City, keeps the peace, and prevents & controls crime. The Department's nine functions include: Administration, Patrol Services, Traffic Safety Unit, Crossing Guards, Police Community Relations Unit, Investigations Unit, Communications Unit, Records Unit, and Personnel & Training.

Services

- Provides 24 hours-a-day, 365 days-a-year response to calls for police services. Safeguards the community from crime through deterrence, prevention, and arrest of offenders. Preserves the public peace, protects life & property, and appropriately enforces laws & ordinances.
- Investigates automobile thefts, hit-and-runs collisions, and traffic accidents; conducts accident reconstruction for major injury & fatal collisions; provides traffic control at major events and enforces traffic laws.
- Manages the Crossing Guard program, which staffs critical intersections within the City to ensure the safety of children walking to and from schools.
- Facilitates PAL activities & programs and conducts Neighborhood Watch, Police Explorer, Citizen Volunteer, and other crime prevention & education programs.
- Works closely with the school district and county agencies to divert first time offenders from the juvenile justice system through parent counseling and other innovative programs. The School Resource Officer in the Police Community Relations Unit serves Milpitas High School and Calaveras Hills High School.
- Provides follow-up investigation of crimes against persons, fraud, high technology crimes, missing persons, and property crimes.
- Conducts gang prevention, intervention, and investigation programs; tracks sex registrants; and conducts proactive narcotic investigations.
- Provides 24 hours-a-day, 365 days-a-year 9-1-1 emergency telephone answering and emergency dispatching for the police

department, fire department, and other City Departments.

- Provides public counter service, filing of criminal complaints, and evidence management. Processes, maintains, and distributes police reports and fire reports, prepares statistical data required by law, and responds to report requests and telephone inquiries from citizens and other authorized entities.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016-2017 Accomplishments					
1. Reduced residential burglaries by 39% in 2016.	X			X	
2. Reduced Uniform Crime Reporting (UCR) crime categories by 8% in 2016.	X			X	
3. Increased arrests by 13% in 2016.	X			X	
4. Installed updated Mobile Computer Terminals (MCT's) within marked police vehicles.	X	X		X	
5. Six (6) employees completed accredited formal education programs and/or state certified leadership courses.	X	X	X	X	X
6. Hosted a Police and Community Education Seminar (PACES).	X	X	X	X	X
7. Implemented a body worn camera program to equip all patrol personnel.		X	X	X	
2017-18 Goals					
1. Ensure average response times to emergency calls remain under three (3) minutes.	X	X	X	X	
2. Ensure 100% registration compliance by known sex offenders.	X	X		X	
3. Develop and host two (2) Citizens' Police Academy Program Sessions.	X	X	X	X	X
4. Implement an updated Records Management System (RMS).	X	X			X
5. Develop police Homeless Outreach Teams with available state grant funding.	X		X		X

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
Average response time to emergency calls (minutes):	2:37	2:52	2:44	2:50
Computer Aided Dispatch (CAD) system generated events:	77,919	75,851	74,788	76,186
9-1-1 calls:	24,099	21,179	19,788	21,689
Percentage of 9-1-1 calls answered by a dispatcher within ten (10) seconds:	98%	96%	96%	97%
Arrests reported to FBI (all crimes):	2,251	2,669	2,746	2,800
Citations issued:	5,994	5,605	5,720	5,900
Number of reports prepared by officers:	7,487	7,728	7,785	8,000
Community presentations:	112	57	70	70
Anti-terrorist patrol checks:	3,094	2,357	2,200	2,200

Permanent Personnel Allotment of 122 FTE

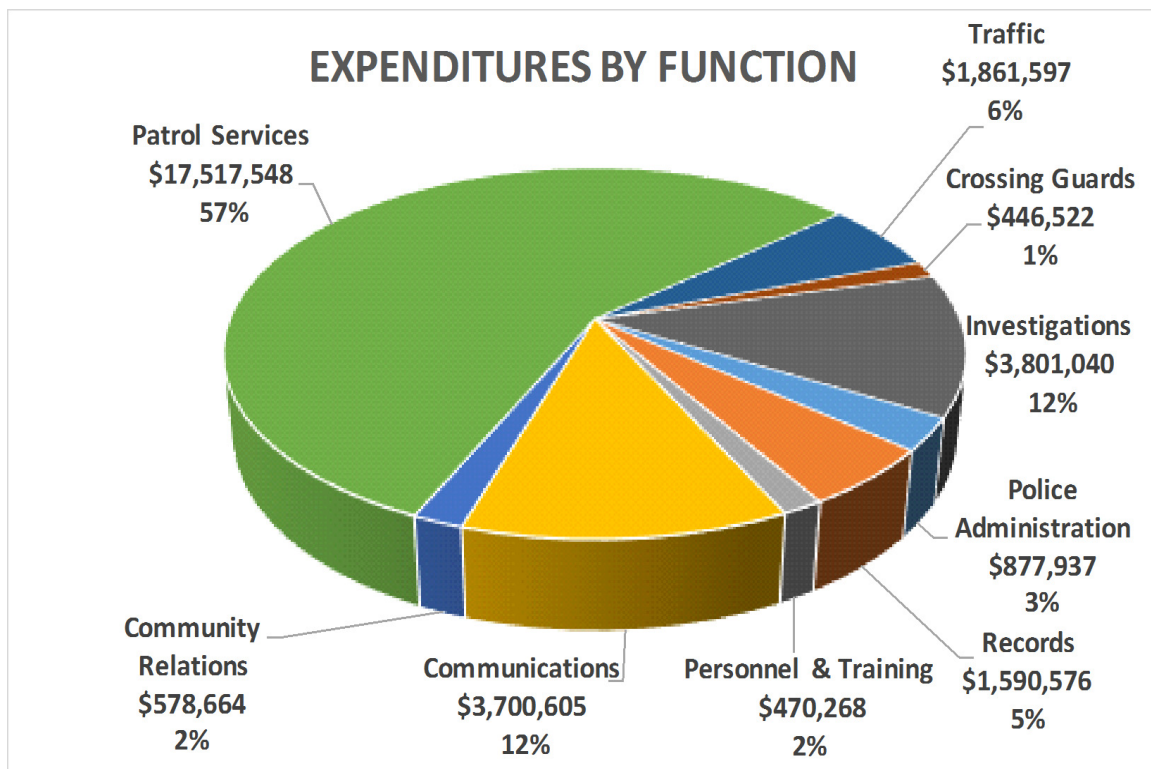
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Chief of Police	1	1		Executive Secretary	1	1	
Police Sergeant	13	13		Police Clerk Supervisor	2	1	1
Police Assistant	1		1	Police Clerk II	6	5	1
Office Specialist	1	1		Police Evidence Technician	2	2	
Communications Dispatcher	12	11	1	Communication Dispatch Spvior	4	3	1
Police Captain	3	3		Patrol Officer	5	3	2
Police Lieutenant	4	4		Police Officer	67	65	2
Support Services Manager	1	1					
TOTAL					123	114	9

* Total temporary FTE: 14.5

Staff Changes(s): Fund two (2) police officers, and one (1) support services manager.

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes mentioned above.
Services and Supplies	Increase in contractual services resulted from implementation of body worn camera program as well as increased costs for fingerprint analysis & evidence examinations.
Capital Outlay	Use of asset seizure funds.



	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	13,402,356	14,219,562	15,379,859	16,755,149
4112 Temporary Salaries	377,539	394,168	489,446	494,872
4113 Overtime	513,100	596,917	693,283	693,283
4121 Allowances	123,427	138,644	140,496	143,208
4124 Leave Cashout	470,934	552,248	0	0
4131 PERS	4,485,189	5,131,347	6,127,673	7,031,893
4132 Group Insurance	2,114,748	2,181,876	2,445,660	2,449,428
4133 Medicare	208,409	219,512	232,259	247,709
4135 Worker's Compensation	340,830	372,052	513,974	553,406
4138 Deferred Comp-Employer	4,962	4,853	5,400	5,400
4139 PARS	5,421	5,415	6,949	7,030
4141 Adjustments-Payroll	0	225	4,500	4,500
4161 Retiree Medical Reserve	607,111	644,734	668,425	716,170
sub-total	22,654,024	24,461,553	26,707,924	29,102,048
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	500	500	500	500
4211 Equip Replacement Amortization	467,197	534,329	409,852	559,018
4220 Supplies	150,423	146,959	150,115	150,115
4230 Services	599,150	612,802	686,459	843,411
4410 Communications	13,736	13,795	24,820	24,820
4501 Memberships and Dues	3,776	3,252	3,583	3,673
4503 Training	81,312	77,192	97,654	101,172
sub-total	1,316,094	1,388,829	1,372,983	1,682,709
CAPITAL OUTLAY				
4850 Vehicles	39,157	0	24,477	0
4870 Machinery & Equipment	93,238	20,758	0	0
4910 Office Furniture & Fixtures	0	5,874	0	0
4920 Machinery Tools & Equipment	79,661	77,487	60,000	60,000
sub-total	212,056	104,119	84,477	60,000
TOTAL	24,182,174	25,954,500	28,165,384	30,844,757

Mission Statement

"Dedicated to Providing Quality and responsive Service for the community"

To serve and protect the community of Milpitas. Preservation of life, property and the environment within this community is the reasons for our existence.

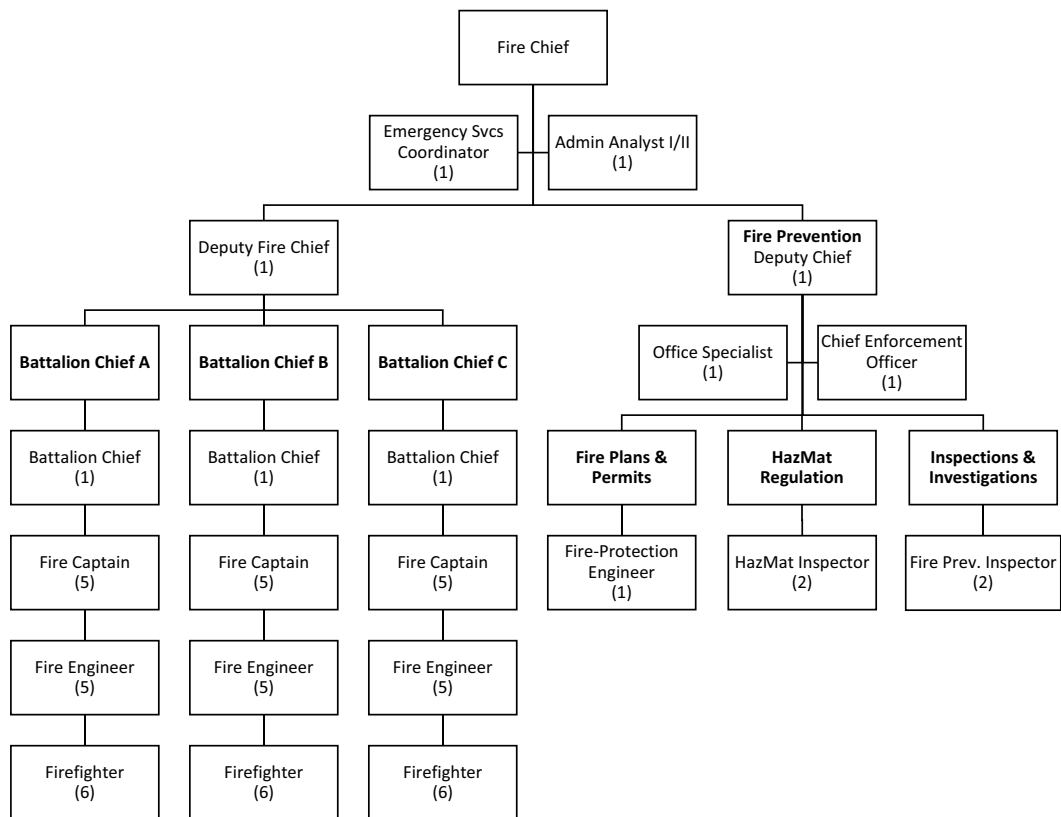
We will diligently work to maintain a high level of public trust and confidence.

We are dedicated to providing courteous, competent and responsive services.

It is our belief that we are judged by the public's view of our attitudes, conduct and standards.

Divisions

Fire Administration
Fire Prevention
Emergency Response & Preparedness
Office of Emergency services (OES)



Blank Page

DEPARTMENT: Fire**FIRE CHIEF: Robert Mihovich**

Description: The Fire Department provides all-hazard full response, preparedness, and prevention services. The Emergency Response Division mitigates emergency incidents, provides safety, training, and Para-medicine compliance. The Fire Prevention Division handles fire plans and permits, hazardous materials regulation, inspections and investigations. The Office of Emergency Services manages disaster preparedness planning, response, mitigation and recovery initiatives.

Services

- Administration: Manages and directs command, administrative, operations, planning, and logistics of the department.
- Emergency Response: Responds and manages emergency incidents involving fires, medical and traumatic injuries, vehicle accidents, rescues, hazardous-material releases and other risks affecting the health and welfare of the community. Personnel staff up to five apparatus at four fire stations strategically located for quick response throughout the City.
- Safety, Training, & Para-medicine Compliance: Provides safety programs to reduce the firefighter injury rate and risks. Operates drill grounds and training curricula to ensure readiness for all-risk response. Oversees compliance with paramedic and emergency medical technician licenses and certifications, state and local reporting and quality assurance requirements, and cooperative contracts with the ambulance service provider.
- Disaster Preparedness: Ensures Citywide disaster readiness by performing Emergency Operations Center training and maintenance, Strategic Actions For Emergencies (SAFE) training, care-and-shelter cache maintenance, amateur radio operator support, and large scale disaster planning in accordance with State, Regional, and Federal guidelines. Provides prevention-education for schools, businesses, citizen groups and community events in Milpitas. Also ensure that prevention and preparedness information is available in handouts, the City website, and community media.
- Plan-check & Permits: Provides fire plan reviews and permits related to fire code compliance for new construction, change in occupancy, tenant improvement, and fire-systems.
- Hazardous Materials Regulation: Conducts plan reviews and inspections related to hazardous materials use and storage, and urban-runoff, in accordance with State and local laws.
- Inspections & Investigations: Conducts inspections related to fire code compliance for new construction and high-risk occupancies. Provides fire cause and origin investigations and follow-up case preparation in cooperation with the Police Department.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2016-17 Accomplishments					
1. Responded to 3,117 emergency incidents with an average response time of 4:21 minutes. (July 1 - Jan. 31)	x	x			x
2. Completed over 2,097 Engine Company Inspections of Milpitas Business'	x	x			x
3. Grew the SAFE Program membership by 18 new members, and certified 484 kids in the 'OES Kids' Program - learning about age appropriate fire safety, earthquake response and dialing 9-1-1.	x	x			x
4. Conducted 791 plan reviews and 4,187 inspections.(July 1 - Jan. 31)	x	x			x
5. Provided 85 public education events. (July 1 - Jan. 31)	x	x		x	x
2017-18 Goals					
1. Maintain response time of <5 min, 90% of the time.	x	x			x
2. Maintain service delivery to meet all major project and construction schedules.	x	x		x	x
3. Achieve target turn around times of plan reviews/inspections at a rate of 98% or higher.	x	x		x	x
4. Develop training program for City emergency staff, and increase drill frequency.	x	x	x	x	x
5. Respond to 100% of prevention education requests.	x	x		x	x

Performance Measures	Actual 2014-15	Actual 2015-16	Projected 2016-17	Estimated 2017-18
Calls for service/average response time (minutes)	4,860/4:32	4,860/4:32	5,000/4:32	5,200/4:20
Emergency Preparedness Public Outreach Database	0	65	230	500
Personnel training hours/certifications to serve hire rank	14,256/31	19,672/38	15,000/46	18,000/43
Number of Plan Reviews/Inspections	1,117/5,602	1,340/6,653	1,550/7,322	1,600/7,400
projected for 2017 Engine Company Inspections (based on calendar year)	2014 - 871	2015 - 2,365	2016 - 2,097	2017 - 2,158
Property Loss to Fire	\$3.1 M	\$2.9M	\$1.2M YTD	NA
Fire Caused Injury/Death	0	0	0	0
YTD Work Related Injuries	17	9	4	0
CalOES (Wildland) Reimbursement to City	\$106,000	\$315,000	\$594,200	NA

Permanent Personnel Allotment of 80 FTE

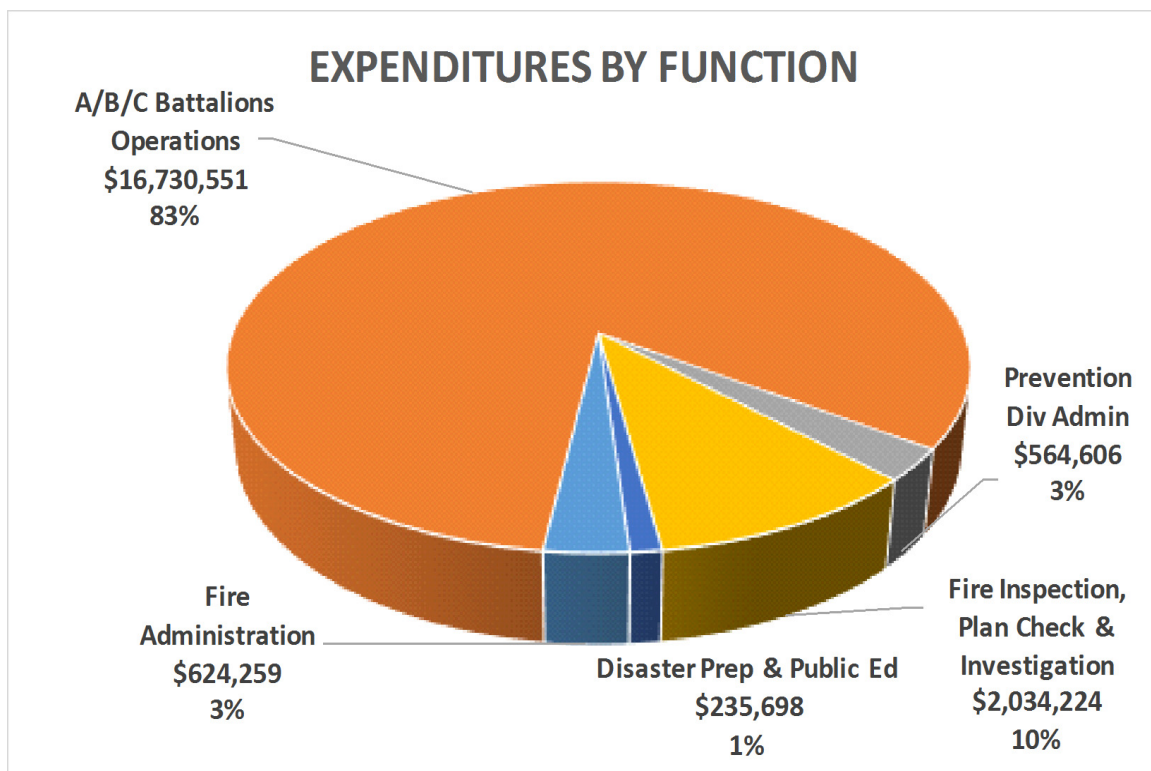
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Fire Chief	1	1		Administrative Analyst II	1	1	
Fire Engineer	14	4	10	Firefighter	14	14	
Fire Captain	16	16		Firefighter/Paramedic	7	7	
Fire Engineer-Paramedic	11	11		Deputy Fire Chief	2	2	
Fire Battalion Chief	3	3		Emergency Svcs Coordinator	1	1	
Office Specialist	1	1		Hazardous Materials Inspector	3	2	1
Fire Protection Engineer	2	1	1	Fire Prevention Inspector	3	3	
Chief Fire Enforcement Offcr	1	1					
				TOTAL	80	68	12

* Total temporary FTE: 1

Staff Changes(s): Fund three Firefighters and one Captain.

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes mentioned above.
Services and Supplies	Increase in training funds requested.
Capital Outlay	No significant change.



	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved 2017-18
PERSONNEL SERVICES				
4111 Permanent Salaries	7,906,887	8,412,611	8,982,225	9,949,992
4112 Temporary Salaries	5,568	23,445	38,985	15,000
4113 Overtime	1,129,345	1,407,256	1,130,000	1,219,000
4121 Allowances	53,257	57,769	59,760	64,740
4124 Leave Cashout	198,873	660,958	0	0
4131 PERS	2,356,828	2,954,992	3,473,635	4,231,989
4132 Group Insurance	1,338,568	1,394,380	1,332,720	1,470,072
4133 Medicare	132,919	152,240	127,322	143,570
4135 Worker's Compensation	214,434	228,899	322,377	320,615
4138 Deferred Comp-Employer	34,871	37,733	40,500	43,800
4139 PARS	82	118	585	225
4161 Retiree Medical Reserve	370,318	396,058	415,384	470,324
sub-total	13,741,950	15,726,458	15,923,493	17,929,327
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	1,120,131	1,164,479	1,135,608	1,341,081
4220 Supplies	322,286	340,050	383,475	448,200
4230 Services	359,779	138,680	240,020	250,100
4410 Communications	0	107	0	0
4501 Memberships and Dues	2,927	7,187	19,870	32,230
4503 Training	42,392	70,028	166,400	178,400
sub-total	1,847,515	1,720,532	1,945,373	2,250,011
CAPITAL OUTLAY				
4850 Vehicles	0	165,360	0	0
4870 Machinery & Equipment	0	6,084	0	0
4920 Machinery Tools & Equipment	46,443	25,973	10,000	10,000
sub-total	46,443	197,417	10,000	10,000
TOTAL	15,635,908	17,644,407	17,878,866	20,189,338

DEPARTMENT: Non-Departmental	
------------------------------	--

Description: This department funds a variety of activities that are not specific to any one department. Personnel Services include expenditures not budgeted in the individual departments such as vacation and leave cashouts, benefit administration fees, retiree medical benefits and self-funded unemployment insurance. Supplies and Contractual Services include centralized copier costs for City Hall, utility payments and citywide tuition reimbursement. Sewer treatment plant maintenance and operation are funded in this department, as are all water purchases for the water fund. This department also funds debt service, equipment and vehicle replacement.

Expenditure Analysis

Personnel Services:\$3,249,900 will fund vacation and leave cashouts, MOU contractual obligations, retiree medical benefits and unemployment benefits. Administration costs for the City's Public Agency Retirement System (PARS) program are included in this function.

Services and Supplies:\$6,117,165 is for Treatment Plant fees; \$3,625,099 is for gas, electric water and solid waste utilities; and \$17,500,000 is for water purchases. A total of \$35,000 is reflected in this function for citywide tuition reimbursement, computer training and personnel training. The City's insurance premium with ABAG is projected to be \$700,001 for the 2017-18 fiscal year.

Debt Service:\$687,000 is scheduled to pay the principal and interest due on the 2006 Certificates of Participation for the sewer system and interfund loan. \$1,500,000 principal and interest payment is anticipated for the new water bonds.

Equipment Replacement:\$263,326 is for equipment replacement from monies that are available in the Equipment and Information Technology Replacement Funds.

	100 General Fund	150 RDA Admin	102 Measure I TOT	211/237 H-H Lease CFD
PERSONNEL SERVICES				
4124 Leave Cashout	650,000	0	0	0
4131 PERS	22,400	0	0	0
4132 Group Insurance	27,000	0	0	0
4136 Unemployment	27,000	0	0	0
4137 MOU Contractual Agreements	599,900	0	0	0
4139 PARS	9,800	0	0	0
4141 Adjustments-Payroll	61,000	0	3,000	21,000
4161 Retiree Medical Reserve	1,320,000	0	0	0
sub-total	2,717,100	0	3,000	21,000
SUPPLIES & CONTRACTUAL SERVICES				
4220 Supplies	13,400	0	0	0
4237 Contractual Services	65,400	25,000	0	13,000
4239 Audit Fees	67,500	4,500	0	0
4241 Repair & Maintenance	0	0	0	0
4242 Rents & Leases	0	0	0	35,000
4253 ABAG Attorney's Fees	36,667	0	0	0
4254 ABAG Settlements	75,000	0	0	0
4421 Utilities-Gas	204,100	600	0	0
4422 Utilities-Electric	1,502,900	5,200	43,636	0
4423 Utilities-Water	858,163	3,500	17,937	0
4424 SFWD, Wholesale Water Purchase	0	0	0	0
4425 SCVWD, Wholesale Water Purchase	0	0	0	0
4426 Utilities - Solid Waste	0	0	0	0
4427 Recycled Water Purchase	0	0	0	0
4429 Treatment Plant, M&O	0	0	0	0
4503 Training and Registration	3,000	0	0	0
4509 Tuition Reimbursement	24,000	0	0	0
4600 Insurance & Settlements	476,251	500	0	0
4610 Uncollectible Accounts	51,000	0	0	0
4640 Contingent Reserve	824,224	0	0	0
sub-total	4,201,605	39,300	61,573	48,000
DEBT SERVICE				
4701 Retirement of Principal	0	0	0	0
4711 Interest Expense	0	0	0	0
sub-total	0	0	0	0
CAPITAL OUTLAY				
4850 Vehicles	0	0	0	0
4870 Machinery & Equipment	0	0	0	0
sub-total	0	0	0	0
TOTAL	6,918,705	39,300	64,573	69,000

213/250 Public Art HCD Fund	280 Solid Waste Fund	295 Housing Authority	400 Water Fund	450 Sewer Fund	350/500 TASP/Eqmt Replacement	Approved 2017-18
0	0	0	25,000	25,000	0	700,000
0	0	0	3,800	3,800	0	30,000
0	0	0	1,500	1,500	0	30,000
0	0	0	1,500	1,500	0	30,000
0	0	0	25,000	25,000	0	649,900
0	0	0	600	600	0	11,000
0	0	0	50,000	40,000	25,000	200,000
0	8,000	0	160,000	112,000	0	1,600,000
0	8,000	0	267,400	209,400	25,000	3,250,900
0	0	0	800	800	0	15,000
67,000	0	59,000	2,100	8,100	0	239,600
7,000	0	0	25,000	12,500	0	116,500
0	0	20,000	0	0	0	20,000
0	0	0	0	0	0	35,000
0	0	0	13,333	50,000	0	100,000
0	0	0	20,000	70,000	0	165,000
0	2,300	0	9,000	9,000	0	225,000
0	23,600	0	589,100	235,600	0	2,400,036
0	9,800	3,363	87,800	19,500	0	1,000,063
0	0	0	12,360,000	0	0	12,360,000
0	0	0	4,440,000	0	0	4,440,000
0	0	4,000	0	0	0	4,000
0	0	0	700,000	0	0	700,000
0	0	0	0	6,117,165	0	6,117,165
0	0	0	1,000	1,000	0	5,000
0	0	0	3,000	3,000	0	30,000
0	0	598	40,129	123,990	58,533	700,001
0	0	0	37,000	37,000	0	125,000
0	0	0	0	0	0	824,224
74,000	35,700	86,961	18,328,262	6,687,655	58,533	29,621,589
0	0	0	1,500,000	470,000	0	1,970,000
0	0	0	0	217,000	75,000	292,000
0	0	0	1,500,000	687,000	75,000	2,262,000
0	0	0	0	0	252,630	252,630
0	0	0	0	0	10,696	10,696
0	0	0	0	0	263,326	263,326
<u>74,000</u>	<u>43,700</u>	<u>86,961</u>	<u>20,095,662</u>	<u>7,584,055</u>	<u>421,859</u>	<u>35,397,815</u>

Blank Page

City of Milpitas

2017-22 CAPITAL IMPROVEMENT PROGRAM

GRAND SUMMARY

Project Expenses	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Community Improvement	8,760,000	3,525,000	1,475,000	300,000	20,150,000	34,210,000
Park Improvement	11,375,000	1,935,000	8,170,000	6,300,000	6,200,000	33,980,000
Street Improvement	11,481,840	14,938,502	11,576,734	6,065,389	19,529,480	63,591,945
Water Improvement	15,196,700	24,701,943	41,862,910	13,981,500	1,268,800	97,011,853
Sewer Improvement	11,305,000	19,184,389	20,995,244	20,301,397	5,355,385	77,141,415
Storm Drain Improvement	1,515,000	2,295,000	6,420,000	5,170,000	11,545,000	26,945,000
Total	59,633,540	66,579,834	90,499,888	52,118,286	64,048,665	332,880,213

Funding Sources	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Gas Tax Fund	2,000,000	1,775,000	1,975,000	1,715,000	1,675,000	9,140,000
General Government CIP Fund	11,745,557	4,022,557	2,471,759	1,806,254	1,816,053	21,862,180
Midtown Park Fund	2,275,000	300,000	0	0	0	2,575,000
Park Fund	3,825,000	825,000	100,000	100,000	100,000	4,950,000
Sewer Fund	8,558,200	3,831,502	1,659,910	1,963,428	1,767,057	17,780,097
Sewer Infrastructure Fund	200,000	100,000	100,000	100,000	100,000	600,000
Sewer Treatment Fund	3,250,000	2,750,000	2,750,000	750,000	750,000	10,250,000
Water Fund	(1,050,000)	0	0	0	0	(1,050,000)
Water Line Extension Fund	3,445,000	1,122,100	850,000	0	0	5,417,100
Storm Drain Fund	1,115,000	370,000	45,000	45,000	45,000	1,620,000
Equipment Replacement Fund	2,060,000	0	200,000	0	0	2,260,000
Traffic Impact Fees	(50,000)	0	0	0	0	(50,000)
TASP Impact Fees	6,425,000	5,850,000	5,750,000	0	14,000,000	32,025,000
Transient Occupancy Tax (TOT)	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	8,000,000
LLMD	100,000	19,443	20,065	20,707	21,370	181,585
Vehicle Registration Fee	500,000	500,000	500,000	500,000	500,000	2,500,000
Community Planning Fees	200,000	0	0	0	0	200,000
Water Capital Surcharge	4,100,000	2,525,000	7,374,260	776,500	778,800	15,554,560
Permit Automation Fund	200,000	200,000	100,000	0	0	500,000
Sub Total	50,498,757	25,790,602	25,495,994	9,376,889	23,153,280	134,315,522

External Financing	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Grants/Reimb./Developer Fees	2,708,083	18,246,193	21,907,000	13,365,000	0	56,226,276
Sanitary Sewer Bonds	0	12,709,389	16,695,244	17,701,397	2,955,385	50,061,415
Water Bonds	6,426,700	7,908,650	9,576,650	0	0	23,912,000
Sub Total	9,134,783	38,864,232	48,178,894	31,066,397	2,955,385	130,199,691

Unidentified	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Unidentified Funding	0	1,925,000	16,825,000	11,675,000	37,940,000	68,365,000
Total	59,633,540	66,579,834	90,499,888	52,118,286	64,048,665	332,880,213

NOTES

(a) FY17/18 includes \$9.815 Mil. for the City's portion of improvements to the SJ/SC wastewater treatment plant.

(b) Grants are identified on the detailed project sheets.

Community Improvement Projects

The Community Improvement category includes continued funding of five existing projects and funding of twelve new project:

Project Number-Name

Description

Operating Budget Impact

3403 - Fire Station Improvements

This project provides various improvements at all four fire stations including renovation or replacement of electrical and mechanical systems, plumbing, parking lots, emergency power generator systems, interior and exterior painting, replacement of floor coverings, restroom and shower facilities, kitchen improvements, re-roofing and other building and site related improvements. All work will be performed on a priority and funding availability basis.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3406 - City Building Improvements

This project provides for repair, renovation, replacement, and improvements at City buildings including public works, police, senior center, community center, City Hall, library, parking garage, and the sports center. Work may include electrical and mechanical systems, pool equipment, motors/pumps, fountain repairs, leak repairs, emergency power, HVAC systems, painting, carpeting, code upgrades, replacement of City Hall desk tops, and other related improvements, such as replacement of lighting fixtures with energy saving fixtures, and installation of a more efficient climate controls system. Work will be completed on a priority and funding availability basis.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3414 - City Buildings, Exterior Painting & Repairs

This project provides for exterior repairs, patching and painting of City buildings. The exterior of the buildings should be painted and sealed approximately every ten years to maintain the buildings appearance and to prevent damage caused by moisture infiltration. Updated costs to include escalation purposes and unknowns associated with age of building for exterior paint/repairs.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3415 - PD Communications

Per Federal Communications Commission (FCC) mandate, Santa Clara County and the Cities Managers Association agreed to jointly fund a countywide program for radio interoperability in 2001. The program also provides for a public safety radio and data communications network to improve emergency services. The City of Milpitas' financial contribution will support the completion of the communication improvements.

Operating Budget Impact: None

3416 - City General Plan Update

This is a comprehensive update of the City's General Plan, including community outreach and CEQA Analysis.

Operating Budget Impact: None

3422 - City Buildings Roofing Repairs

This project provides for roof repairs and replacements at City Buildings. Typically, a roof has a 20-year life. Repairs or replacements are required to prevent damage caused by moisture infiltration.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3427 - Technology Projects

This ongoing project will provide technology improvements and modernization to various City Departments for software and hardware specialty applications and upgrades. Project would include improvements to Budget

Preparation Software Systems, Citywide Geographic Information System, Network Infrastructure, Document Management Systems, and other enterprise systems.

Operating Budget Impact: None

3431 - City Gateway Tree Planting

This project will provide for the installation of irrigation and trees planting, including Jacaranda trees, at seven gateway locations around the City. The project is anticipated to be completed in phases with locations within City right-of-way to be completed first. Locations within the rights-of-way of other jurisdictions including the County or Caltrans would be installed following approvals from these agencies.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

3434 - Permitting Technology Improvement

This ongoing project will provide enhancement to the existing Building Department permitting automation system and will provide improvement to the electronic construction drawing submittal process used by City staff for permit issuance and fee collection in accordance with codes such as the UBC. Improvement will be made to the submission process, review, storage, and archival of different file formats. The project will streamline the presentation and retrieval of documents to the web and will ensure the systems operate efficiently for better customer service.

Operating Budget Impact: None

3435 - 2017-19 Finance System Upgrade

This project provides upgrades to keep our Financial system up to date. It is essential that the system be current in order to utilize technology efficiently and effectively. This major system includes General Ledger, Accounts Payable, Cash Collection, Payroll /Human resources, Job Costing and Purchase Order. In addition, the Finance system also manages Budget Preparation, Business License, Investment Software and fixed Asset systems.

Operating Budget Impact: None

3436 - City Building ADA Compliance Review

This project will provide for the review of all City Buildings constructed prior to 2000 to confirm compliance with access requirements in accordance with the Americans with Disabilities Act (ADA), and to identify any deficiencies and recommend improvements.

Operating Budget Impact: None

3437 - Midtown Specific Plan Update

The Midtown Specific Plan was developed with the assumption that the Redevelopment Agency would be a major contributor to the area's development. Without this funding and development source, the plan is reliant on purely private investment and consequently must be updated to reflect this situation.

Operating Budget Impact: None

3438 - Annual Tree Replacement Program

This project provides for the replacement of trees in areas where existing City trees are aging significantly and require replacement. This program includes a citywide tree survey to be conducted in FY17-18, and will remove and replace trees on City streets, in neighborhoods, and parks. The program will strive to maintain and grow the City's urban forest inventory, which includes over 15,000 City owned trees.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3439 - Fire Apparatus Replacement Plan

This project will replace aging fire engines, tiller truck, and would provide one new ambulance. The purchase of two \$700K fire engines and one \$660K ambulance is funded in FY17/18. FY18/19 funding would provide one \$1.5M tiller truck, and \$200K staff training for the new tiller truck. FY19/20 will fund one \$700K fire truck.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

NUMBER		PROJECT TITLE	APPROVED
331-	3403	Fire Station Improvements	195,000
331-	3406	City Building Improvements	300,000
331-	3414	City Buildings, Exterior Painting & Repairs	800,000
331-	3415	PD Communications	3,785,000
331-	3416	City General Plan Update	200,000
331-	3422	City Buildings Roofing Repairs	100,000
331-	3427	Technology Projects	350,000
331-	3431	City Gateway Tree Planting	(100,000)
331-	3434 *	Permitting Technology Improvement	200,000
331-	3435 *	2017-19 Finance System Upgrade	300,000
331-	3436 *	City Building ADA Compliance Review	110,000
331-	3437 *	Midtown Specific Plan Update	260,000
331-	3438 *	Annual Tree Replacement Program	200,000
331-	3439 *	Fire Apparatus Replacement Plan	2,060,000
TOTAL COST			<u>8,760,000</u>

AVAILABLE FINANCING SOURCE:

General Government CIP Fund	6,400,000
Equipment Replacement Fund	2,060,000
Community Planning Fees	200,000
Grants / Reimb. / Developer Fees	(100,000)
Permit Automation Fund	200,000
TOTAL AVAILABLE	<u>8,760,000</u>

* New Project

Park Improvement Projects

The Park Improvement category includes continued funding of three existing projects and funding of four new projects:

Project Number-Name

Description

Operating Budget Impact

3424 - Citywide Park Playground Rehabilitation

This project provides for the rehabilitation of citywide park playgrounds needing minor improvements such as additional fill material to meet fall attenuation, surface improvement, equipment modification, and signage improvement.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

5055 - Alviso Adobe Renovation

This project is being completed in phases and provides for new park improvements and exterior restoration of the historic Alviso Adobe building. Phases 1 thru 4 completed park improvements, ADA access improvements, and seismic and exterior renovation of the historic adobe building. The final phase 5 provides for the interior restoration of the 1st floor including period furnishing, decorations and exhibits.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

5098 - Park Irrigation System Repair & Improvement

This project provides for the repair and replacement of park irrigation systems and related equipment in City parks.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

5102 - McCandless Park

This project provides for a new public park adjacent to a new MUSD elementary school located on McCandless Drive in the Transit Area. The park will provide a 4 acre City park and will include play field, athletic courts, picnic area, play structure, and restrooms.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

5107 - Main Street/Library Park

This project provides for the design and construction of a new park on the City owned parcel just north of the Milpitas Library. Improvements include a gathering area to accommodate activities, shade structures, landscaping, drainage, and walkways.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

5108 - Sports Fields Turf Rehabilitation Prog.

This project provides for the rehabilitation of turf at City sports fields to address deferred maintenance, trip hazards and over compaction which impacts the health and growth of the turf. The project may include re-sodding, re-seeding, irrigation repairs and minor rehabilitations.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

5109 - Creighton Park Renovation

This project provides for the design and construction of improvements at Creighton Park. Improvements include picnic and playground area renovation, ADA access and path improvement, and renovation of lighting, irrigation, and landscaping.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

5110 - Sandalwood Park Renovation

This project provides for the design and construction of improvements at Sandalwood Park. Improvements include picnic and playground area renovation, ADA access and path improvement, and renovation of irrigation, and landscaping.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

5111 - Sports Center Skate Park

This project provides for the design and construction of a new skate park to be located at the Milpitas Sports Complex between the parking lot and the newly renovated fields. The 20,000 sq.ft skate park will include hardscape skate structures, lighting, irrigation, landscaping, drainage, and amenities.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

NUMBER	PROJECT TITLE	APPROVED
331- 3424	Citywide Park Playground Rehabilitation	200,000
321- 5055	Alviso Adobe Renovation	525,000
321- 5098	Park Irrigation System Repair & Improvement	100,000
321- 5102	McCandless Park	3,250,000
321- 5107 *	Main Street/Library Park	1,375,000
321- 5108 *	Sports Fields Turf Rehabilitation Prog.	225,000
321- 5109 *	Creighton Park Renovation	1,400,000
321- 5110 *	Sandalwood Park Renovation	1,275,000
321- 5111 *	Sports Center Skate Park	3,025,000
TOTAL COST		<u>11,375,000</u>

AVAILABLE FINANCING SOURCE:

Park Fund	3,625,000
Midtown Park Fund	2,275,000
General Government CIP Fund	1,725,000
TASP Impact Fees	3,250,000
Sewer Fund	500,000
TOTAL AVAILABLE	<u>11,375,000</u>

* New Project

Street Improvement Projects

The Street Improvement category includes continued funding of six existing projects and funding of six new projects:

Project Number-Name

Description

Operating Budget Impact

2008 - Montague Ped. Overcrossing at Piper Dr.

This project provides for the construction of a pedestrian overcrossing (POC) over Montague Expressway at Piper Drive. The pedestrian overcrossing is part of the Transit Area Specific Plan (TASP) circulation infrastructure improvement that provides safe and convenient pedestrian circulation between the Milpitas BART station, Great Mall and surrounding residential developments.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

3402 - McCarthy Blvd. LLMD Improvement

This project provides for design and construction of landscape and irrigation system renovation on McCarthy Boulevard, between Hwy 237 and Dixon Landing Road. This project will also include lighting and other related improvements.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3426 - Annual Sidewalk, Curb & Gutter Repair

This project provides annual funding for the replacement of damaged or raised sidewalks, curbs, gutters, and minor asphalt patching throughout the City. The scope of work includes administration, verification of locations to be repaired or replaced, completing necessary repairs, ongoing inspection of City sidewalk, curbs and gutters.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3430 - Midtown Street Light Project

This project provides for the installation of Midtown decorative street lighting and signal improvements along South Main Street from Carlo Street to Great Mall Parkway as a replacement to the existing cobra head lights. The project will be completed in phases. Conceptual cost estimates for the different project phases include: Carlo to Corning is \$1.5M; Curtis to Great Mall Parkway is \$2M; and Corning to Curtis is \$2.6M. The Corning to Curtis phase would be completed after PG&E Rule 20A undergrounding of private overhead utilities. Estimates are conceptual and actual construction cost will be developed during the design phases.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3440 - Annual Street and Signal Light Repair Prog.

This project provides for the repair and replacement of damaged, destroyed, or vandalized street lights, and includes the repair or replacement of copper wiring, street lights, street light poles, signal lighting, signal poles, traffic/pedestrian safety devices, signage replacements, and related appurtenances.

Operating Budget Impact: None

4253 - Dixon Landing Road Plan Line

This project provides for the preparation of a Plan Line Study to evaluate the widening of Dixon Landing Road from N. Milpitas Boulevard to I-880 from 2 lanes to 3 lanes in each direction. The study will evaluate the right of way and feasibility of relocating sidewalks, street lighting, adding bicycle lanes and streetscape in medians and planter strips. This project will also include 35% level design in order to develop an engineer's estimate for design and construction of improvements.

Operating Budget Impact: None

4266 - Street Light LED Conversion Improvements

This project will provide for the conversion of City street lights to energy efficient Light Emitting Diode (LED) included related wiring and control systems. Work will be performed based on a prioritized database inventory.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

4267 - Soundwall and Barrier Repair and Renovation Program

This project repairs and renovates the City owned soundwalls, fenced and barriers within parks, and along N. Milpitas Boulevard, Escuela Parkway, Jacklin Road at Horcajo, La Palma, Hillview Drive at Tularcitos Creek, Nicklaus at N. Park Victoria and other locations. Portions of the walls have deteriorated and will need to be structurally repaired or completely replaced. In some locations, the ground elevation on the residence side is much higher than on the public street side. The soundwalls were not designed as retaining walls, so they require structural retrofit work or replacement.

Operating Budget Impact: None

4279 - Minor Traffic Improvements 2016

This project provides for traffic studies, speed surveys, and traffic counts. This project also includes minor traffic improvements that result from community service requests. Typical improvements include roadway markings/signage improvements and the installation of roadway undulators.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

4283 - ADA Curb Ramp Transition Program 2016

This mandatory program involves citywide replacement or upgrade of existing curb ramps to current standard Americans with Disabilities Act (ADA) compliant ramps. The project will also include the construction of minor segments of new sidewalk to close gaps between sidewalks on public streets in order to meet the requirements of the Title II of the ADA, and to allow the City to be eligible for future

Federal transportation aid funds. An annual assessment will be conducted to determine and establish a priority list of candidate sites for replacement or upgrade based on pedestrian activity, public request, and field inspection. The target program completion date for citywide ADA public street curb ramp compliance is 2040.

Operating Budget Impact: This project is a Federal mandate to meet Title II of the ADA. However, the amount is expected to be small.

4287 - Street Resurfacing Project 2018

This project provides for roadway pavement repair including overlay and reconstruction. Streets are selected for improvement based on the City's Pavement Management System to optimize the pavement condition rating and use of funding.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

4288 - Traffic Studies & Minor Improvements

This project provides for traffic studies, speed surveys, and traffic counts. This project also includes minor traffic improvements that result from community service requests. Typical improvements include roadway markings/signage improvements and the installation of roadway undulators.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	APPROVED
351- 2008	Montague Ped. Overcrossing at Piper Dr.	3,800,000
331- 3402	McCarthy Blvd. LLMD Improvement	100,000
331- 3426	Annual Sidewalk, Curb & Gutter Repair	381,840
331- 3430	Midtown Street Light Project	1,550,000
331- 3440 *	Annual Street and Signal Light Repair Prog.	100,000
311- 4253	Dixon Landing Road Plan Line	(50,000)
311- 4266	Street Light LED Conversion Improvements	200,000
311- 4267	Soundwall and Barrier Repair and Renovation Program	300,000
311- 4279	Minor Traffic Improvements 2016	100,000
311- 4283	ADA Curb Ramp Transition Program 2016	300,000
311- 4287 *	Street Resurfacing Project 2018	4,600,000
311- 4288 *	Traffic Studies & Minor Improvements	100,000
TOTAL COST		<u>11,481,840</u>

AVAILABLE FINANCING SOURCE:

Gas Tax Fund	2,000,000
Vehical Registration Fee	500,000
Transient Occupancy Tax (TOT)	1,600,000
TASP Impact Fees	1,050,000
Grants / Reimb. / Developer Fees	2,808,083
LLMD	100,000
Sewer Fund	203,200
General Government CIP Fund	3,220,557
TOTAL AVAILABLE	<u>11,481,840</u>

* New Project

Water Improvement Projects

The Water Improvement category includes continued funding of seven existing projects and funding of four new projects:

Project Number-Name

Description

Operating Budget Impact

7076 - Well Upgrade Project

This well upgrade program includes recommendations from the Water Supply Augmentation Study. Pinewood well requires \$1M in improvements to improve, taste, odor, and hardness. This project also includes the installation of a new well and pump station at the City's McCandles Park site to serve the Midtown and Transit Area Specific Plan (TASP) including future development. Future project phases will complete the well buildings, pumps, control equipment, water quality treatment, piping, and back-up power.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

7100 - Aging Water System/Seismic Improvements

This project develops a comprehensive Water System Seismic Improvements Program. Components include seismic rehabilitation to the City's "back-bone" water system as defined in the Water System Seismic Improvement Strategic Plan and purchase of water system materials and equipment for emergency response to a major disaster.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

7110 - Hydrant Replacement Program

This project involves replacement of hydrants in the Manor, Sunnyhills, and Milford neighborhoods. Other locations may include Calaveras Blvd, Park Victoria and Jacklin Road. Additional work may include replacement of the water valve for the hydrant.

Operating Budget Impact: None

7113 - Turnout Improvements

This project involves sandblasting and recoating all water system turnout apparatus. It also involves testing and replacement of antiquated valves. There are four turnouts on San Francisco PUC water system and one on the Santa Clara Valley Water District water system. The valves vary in size from 12" to 16".

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

7119 - Sunnyhills Turnout Pressure Reducing Valve

This project provides for the study and evaluation of fluctuating water pressure within the Sunnyhills area of the city. Refer to section 6.3.4.1 in the 2009 Water Master Plan Update.

Operating Budget Impact: None

7120 - Water Supply Blending Study

This project provides an engineering study to analyze the feasibility and cost benefits of blending well water with the wholesale water supplies, and blending the two wholesale water supplies.

Operating Budget Impact: None

7121 - Automated Meter Replacement Program

A City-Wide replacement of existing water meters will be implemented to improve overall service to the City's customers and improve the reliability of the meter reading data. As meters age, the meter readings will read lower over time.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

7128 - Recycled Water Pipeline Infill Project

This project provides miscellaneous recycled water line extensions to sites that currently use potable water for non-domestic uses and three potential interties with San Jose Water Company. This project would allow the use of recycled water and replace the use of potable water.

Operating Budget Impact: None

7129 - Recycled Water Pipeline Segment 1

This project provides for the extension of recycled water lines as part of the City's efforts to diversify the water supply system and respond to the ongoing drought emergency by offsetting the use of potable water. The project is divided into five segments. Segment 1 provides for the extension of the pipeline in Los Coches Street under Berryessa Creek, and I-680 to Dempsey Road.

Operating Budget Impact: None

7132 - Annual Water Distribution Rehab. Program

This project provides for the replacement of water mains, valves, and other appurtenances on the water system. Annual ongoing main replacements and repairs including valve replacement are an important element of the improvement of an aging infrastructure, and allows the system to be isolated during emergency or planned work on the water system.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

7133 - Minor Water Projects

This on-going project involves the analysis and implementation of various water projects which arise during the year. This project also provides for on-going modifications and improvements to existing water system including enhancing security at various water facilities.

Operating Budget Impact: None

7134 - Water O&M Database Management

This project would integrate and expand the CMMS (Computerized Maintenance Management System) GIS database(s) to include water system facility data, such as age of pipe, year of installation, type of pipe, age of valves, maintenance history, and frequency and types of breaks.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

NUMBER		PROJECT TITLE	APPROVED
401-	7076	Well Upgrade Project	4,000,000
401-	7100	Aging Water System/Seismic Improvements	6,400,000
401-	7110	Hydrant Replacement Program	70,000
401-	7113	Turnout Improvements	(150,000)
401-	7119	Sunnyhills Turnout Pressure Reducing Valve	(600,000)
401-	7120	Water Supply Blending Study	(100,000)
401-	7121	Automated Meter Replacement Program	2,226,700
401-	7128	Recycled Water Pipeline Infill Project	(1,200,000)
401-	7129 *	Recycled Water Pipeline Segment 1	3,750,000
401-	7132 *	Annual Water Distribution Rehab. Program	600,000
401-	7133 *	Minor Water Projects	100,000
401-	7134 *	Water O&M Database Management	100,000
TOTAL COST			<u>15,196,700</u>
Water Fund			(1,050,000)
Water Line Extension Fund			3,445,000
TASP Impact Fees			2,075,000
Park Fund			200,000
Water Capital Surcharge			4,100,000
Water Bonds			6,426,700
TOTAL AVAILABLE			<u>15,196,700</u>

* New Project

Sewer Improvement Projects

The Sewer Improvement category includes funding of two existing projects and two new project as shown on the opposite page:

Project Number-Name

Description

Operating Budget Impact

6118 - SJ/SC Regional Waste Water Facility

The City of Milpitas pumps our sewage to the San Jose/Santa Clara Regional Waste Water Facility for waste water treatment before it can be discharged into the San Francisco Bay. This project will fund Milpitas's share of the facilities rehabilitation costs. The facility was originally constructed in 1956 and is reaching the end of its useful life and is in need of a complete overhaul. The City of San Jose which operates the facility is undergoing a large rehabilitation project to completely overhaul the facility over the next 30 years. The City of Milpitas uses approximately 7% of the facility and will be responsible for 7% of the estimated \$2 billion or \$140 million in improvements that will be made over the next 30 years.

Operating Budget Impact: Per the City of San Jose, the improvements are expected to reduce operations and maintenance liabilities. The impact to the operating budget will be dependent on the technology chosen, operating approach, and the start-up schedule. Engineering estimate has not been completed, as such amount is unknown at this time.

6119 - Sanitary Sewer Condition Assessment Prgm

A citywide condition assessment program is needed to determine the condition of the City's sanitary sewer system.

Operating Budget Impact: The impact to the operating budget will be dependent on the technology chosen, operating approach, and the start-up schedule. Engineering estimate has not been completed, as such amount is unknown at this time. Maintenance cost will increase based on assessment.

6123 - Sanitary Sewer Overflow Improvements

This project includes multiple measures to reduce sewer system overflows. A pilot program for "smart" manhole covers would be implemented. These manhole covers contain a sewer manhole flow level sensor that would transmit alarms prior to overflows. In addition, sewer backflow devices would be installed at selected sites.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

6124 - Sewer Pump Station Rehab. Program

This program shall provide safe discharge and flow of sewage through the City's two wastewater pump stations. This includes pump rehabilitation, major repair and/or purchase of new wastewater pumps at both Main Lift Station and Venus Lift Station. This program shall include rotational assessment of the City's six water pumps, including peripheral equipment replacement such as electrical control, flow equipment (flow meters), variable frequency drives and grinders.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

6125 - Sewer Pump Station Treatment Improv.

This program shall provide for the modernization of equipment at the City's wastewater pump station. The updated equipment to be installed is critical for the function of the pump stations and will allow for the continued safe discharge of effluent from Main Lift Station.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

6126 - Minor Sewer Projects

This project provides ongoing analysis, engineering, and implementation of various minor modifications and improvements to existing sewer systems.

Operating Budget Impact: None

6127 - Sanitary Supervisory Control & Data Acquisition

A sanitary sewer system Supervisory Control and Data Acquisition (SCADA) system provides real-time data, such as wet well level, and pump operational status to sewer system operators. Operators can use this data to identify operational problems. SCADA allows for remote monitoring and operation of pumps to implement corrective actions and maintain wastewater discharge to the regional wastewater treatment plant.

Operating Budget Impact: None

6128 - Sewer Main Replacement Study 2018

This project involves field evaluation of the remaining useful life of the City's sewer lines including but not limited to: McCarthy/Technology/Cypress and Barber/Bellew.

Operating Budget Impact: None

6129 - Sewer System Hydraulic Modeling 17-19

This project provides for ongoing hydraulic modeling of the sanitary sewer system as needed for Public Works operations and capacity impacts from new development.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	APPROVED
451- 6118	SJ/SC Regional Waste Water Facility	9,815,000
451- 6119	Sanitary Sewer Condition Assessment Prgm	100,000
451- 6123	Sanitary Sewer Overflow Improvements	75,000
451- 6124 *	Sewer Pump Station Rehab. Program	200,000
451- 6125 *	Sewer Pump Station Treatment Improv.	400,000
451- 6126 *	Minor Sewer Projects	50,000
451- 6127 *	Sanitary Supervisory Control & Data Acquisition	450,000
451- 6128 *	Sewer Main Replacement Study 2018	115,000
451- 6129 *	Sewer System Hydraulic Modeling 17-19	100,000
	TOTAL COST	11,305,000
	 Sewer Fund	 7,855,000
	Sewer Treatment Fund	3,250,000
	Sewer Infrastructure Fund	200,000
	TOTAL AVAILABLE	11,305,000

* New Project

Storm Improvement Projects

The Storm Drain Improvement category includes continued funding of three existing project and one new project as shown on the opposite page:

Project Number-Name

Description

Operating Budget Impact

3700 - Storm Drain System Rehabilitation

Prior work included storm drain system repairs at various locations and wetland riparian mitigation and maintenance work at Wrigley-Ford and Ford Creeks. The remaining work is required by Regional Water Quality Control Board and Army Corps of Engineer permits to inspect, repair, maintain, and submit reports on the Creek sites until February 2023.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3714 - Flap Gate Replacement

This project provides assessment and replaces and/or installs check valve assemblies at creek outfalls. The work also includes replacing deteriorated outfall piping.

Operating Budget Impact: None

3715 - Storm Drain System Rehab 17-19

This project provides for the design, construction, and repair of storm drain systems at various locations due to insufficient capacity and aging infrastructure. Work scope includes pump station rehabilitation work to electrical and mechanical systems. Additional projects and work scope will be programmed based on the new Storm Drain Master Plan and Urban runoff program requirements.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

NUMBER	PROJECT TITLE	APPROVED
341- 3700	Storm Drain System Rehabilitation	65,000
341- 3714 *	Flap Gate Replacement	50,000
341- 3715 *	Storm Drain System Rehab 17-19	1,400,000
	TOTAL COST	1,515,000
	Storm Drain Funds	1,115,000
	General Government CIP Fund	400,000
	TOTAL AVAILIBLE	1,515,000

* New Project

Blank Page

Budget and Budgetary Accounting

What is the City Budget?

Every year the City Council adopts a Budget and Financial Plan for the next fiscal year, (the City's fiscal year runs from July 1 of one year through June 30 of the next year). The Budget is the City's business and financial plan for the year.

The two purposes of the Budget are: (1) to set goals, objectives, and service levels for the City to meet during the next year (thus insuring the provision of City services to Milpitas residents); and (2) to estimate and allocate the money the City will take in and spend during the year.

In many ways the City's Budget is like a household budget. Every year we sit down and estimate what we think our income will be for the coming year, and make plans on how to spend and save this income. There are some key differences, however, between the City and a household budget. Our income (called revenue) can fluctuate substantially within a given year or from year to year. It is not like having a known paycheck to spend or save. There are very few sources of income over which the City has direct control. For example, we have no control over property tax revenue; it can fluctuate depending on the number of homes sold in the community and the amount of building activity. The level of building activity also impacts other sources of revenue such as building permit fees. These are revenues that have a somewhat direct relationship with the general state of our economy. The economy also affects another major source of income -- sales tax -- which depends on the amount of goods people buy in our community.

We have a little more certainty and control over how much money we spend, but even that has some impacts and restrictions which reduce our flexibility. The federal government and state government require we make additional expenses, such as Medicare contributions and require methods of compensating for overtime mandated by federal law. In addition, we do not, in most cases, have the ability to stop doing things simply because we do not have the income. Police and fire protection are good examples. Even if revenue decreases substantially, we still need to be able to staff the fire stations and provide a minimum level of police patrol services.

It is important to remember that the numbers in the Budget are estimates. Many things happen during the year that impact our income and spending. However, we try to budget as best we can. We try very hard to estimate revenues realistically but also conservatively enough to insure that there are adequate funds to meet our needs. We also budget a contingency reserve each year to meet unanticipated expenses, and we maintain adequate reserves to protect us from future unknowns. As a "rule of thumb", we try to maintain an unallocated, or unbudgeted, reserve in the general fund that is at least 15% of the general fund operating budget.

What are "Funds"?

The City's Budget is financed by the use of different "funds". A fund can be thought of as a separate bank account used for specific purposes. The **General Fund** is the City's main operating fund used to pay for "traditional" city services such as police and fire protection, administration, street maintenance, and recreation functions. These activities utilize most tax dollars, such as property tax and sales tax, but are also supported by licenses and permits, court fines, and investment earnings. Some activities in the General Fund, such as building inspection and recreation functions, are also intended to be substantially self-supporting through fees for services charged to individuals. In areas where specific benefit for a service can be identified to specific individuals, the City has a policy of charging a fee to offset the cost of providing the service.

Another major group of City funds are called **Enterprise Funds**. These funds are used to account for specific services which are funded directly by fees and charges to users. In Milpitas, Enterprise Funds include the Water Fund and the Sewer Fund. The intent is that these two funds be completely self-supporting and not be subsidized by any general revenue or taxes. The utility bills sent to each household and business in the community charge for the cost of providing water and sewer customer services. These funds are accounted for as if each activity was a separate, independent non-profit business of the City.

Various **Capital Improvement Funds** are also maintained by the City. A capital improvement is usually a large construction project such as the resurfacing of City streets, the development of park land, the construction of an overpass, the installation of a traffic signal, or the acquisition of land and construction or remodeling of a public building. The City's Capital Improvement Funds include the Street Improvement Fund, the Park Fund, and the Treatment Plant Construction Fund. Water and Sewer capital projects are financed in the respective Enterprise Funds.

Finally, the City maintains **Debt Service** and **Special Revenue Funds**. The former type of fund is used to pay the principal and interest payments associated with retiring bonds that the City has issued. The latter funds set aside special revenue, such as Housing and Community Development federal revenue, which is restricted in its use.

How is the Operating Budget Prepared?

The Proposed Budget and Financial Plan is prepared each year by staff, detailing what will be necessary to provide City services for the upcoming year, identifying various department objectives and significant policy issues for Council direction. After delivery of the Proposed Budget to the Council, the City Council holds public budget hearings in May to provide the public with the opportunity to make any comments or suggestions regarding the Budget. The City Council then adopts the Proposed Budget as it may be amended during the budget hearings. A Final Budget is subsequently adopted, formally incorporating in a single document the changes that were directed during the budget hearings.

The proposed budget document is prepared to insure that the spending authority proposed carries with it an anticipated level of service. The budget process is designed to integrate the managerial task of planning with the quantitative task of presenting expenditure requests for approval. The process assumes that individual managers have the most insight into their own operations and, therefore, should be the ones to identify and support the various alternative levels of service they are able to provide as well as the costs of those levels.

How is the Capital Improvement Program Budget Prepared?

The **Five-year Capital Improvement Program Budget** is prepared each year, in a process that parallels the preparation of the Operating Budget (as shown in the Budget Preparation Timeline included in the Budget Guidelines and Fiscal Policies section).

Departments are asked to submit a comprehensive prioritized list of all of their Capital Improvement Program (CIP) projects. CIP projects are prioritized using the following categories (listed in priority order): mandatory or committed projects, health and safety projects, maintenance of existing capital assets or systems, major service equipment replacement, projects which avoid future additional costs, studies and analyses, enhance economic development and improve the quality of life. The Finance Department and the Engineering Department work closely in the funding analysis phase of the CIP process to determine which project will proceed and which projects may be accelerated or delayed. Unlike the Operating Budget, before the CIP Budget can be submitted to the City Council, the Parks projects must be submitted to the Parks, Recreation and Cultural Resources Commission for their approval. All CIP projects are submitted to the Planning Commission to ensure the CIP projects are in conformance with the General Plan.

After delivery of the Preliminary Report to the Council, the City Council holds public budget hearings in May to provide the public with the opportunity to make any comments or suggestions regarding the CIP. The City Council then adopts only the first year of the Five-year Capital Improvement Program Budget as it may be amended during the budget hearings. A Final Capital Improvement Program Budget is subsequently adopted, formally incorporating the changes that were directed during the budget hearings into a single document.

Budgets and Budgetary Accounting

The City's budget is adopted on a basis consistent with generally accepted accounting principals (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis. (See discussion of basis of accounting on the next page.)

The City adopts an annual Operating Budget and Financial Plan on or before June 30th each year. The City follows these procedures in establishing the budgetary data reflected in their financial statements:

- On or before May 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and identified financing means.
- Public budget hearings are conducted to evaluate the proposed budget and seek public input.
- Prior to July 1, the budget, as may be amended, is adopted by the City Council.
- A final budget document which summarizes the adopted budget is formally enacted, within 90 days, by resolution of the City Council.
- The City Manager is authorized to transfer budgeted amounts within departments within a fund. The

- City Manager has limited discretion to appropriate funds in an aggregate amount not to exceed the equivalent of 1% of the General Fund budget.
- Budgeted amounts are as originally adopted, or as amended by the City Council.

The legal level of budgetary control is exercised at the departmental level for those funds which have annually adopted budgets: General Fund, Special Revenue Funds and Capital Projects Funds.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Capital Projects Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through the various bond indenture provisions.

Appropriations automatically lapse at the end of the fiscal year unless an encumbrance exists, with the exception of balances remaining in the capital project accounts and grant accounts at the end of the fiscal year. These balances are carried forward to the following fiscal year until the project is completed.

Prop 4 – Appropriations Limit

The City establishes an appropriations limit by resolution, each year during the budget process, which commences after the beginning of each fiscal year. The appropriation base is adjusted each year by changes in population, cost of living and transfers of financial responsibility.

Budget Amendments

The operating budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. The procedure for amending budgets depends on the type of change that is needed. One type of change does not affect the “bottom line” total for a department. These changes, mainly transfers from one-line item to another within a department’s operating budget or changes between two divisions within a department.

The second type of budget amendment brings about a change in the total appropriation for a department or fund. Examples of these changes include but are not limited to:

- the acceptance of additional grant money which might become available;
- changes providing for increases in permanent personnel or changes in classification for personnel
- from the number of positions approved in the Budget;
- the appropriation of additional funding if expenditures are projected to exceed budgeted amounts; or
- the reappropriation of monies from one fund to another when deemed necessary.

These types of changes would require City Council approval in the form of a budget appropriation.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement that is applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Fund revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Those revenues susceptible to accrual are property and sales taxes and interest revenue. Forfeitures, licenses, permits, and miscellaneous revenue are not susceptible to accrual because they are not measurable until received in cash. Revenues not considered earned but received are accounted for as revenue collected in advance.

Expenditures are also generally recognized under the modified accrual basis of accounting. An exception to this rule is principal and interest on general long-term debt, which is not recognized by debt services funds until it is due. Financial resources usually are appropriated in funds responsible for repaying debt for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Revenues for services provided but not billed at the end of the fiscal year are not material and are not accrued.

Use of Cost Accounting

The City uses cost accounting to determine the proper allocation to recover costs for services provided. For each City service or program, in addition to direct staff support and appropriations for supplies and services, it also receives support from the administrative staff and benefits from centralized services such as building occupancy and equipment maintenance. These indirect costs (also known as administrative and overhead costs) need to be allocated to each major service or program in order to determine the full cost of providing City services. Similarly, the centralized service costs also need to be allocated to various operating funds. Centralized service costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds share the administrative and overhead costs equitably. In FY 2013-14, the City conducted an updated Cost Allocation study to calculate the percentage of costs that should be allocated to each major program and major operating fund. The same methodology was applied to the FY 17-18 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 17-18 can be found on pages 98-99 of this document.

How Can I Learn More?

We hope that this brief introduction to the Budget has been helpful. You can learn a great deal more by reading this document. We have also included a glossary of terms in the Appendix section of this Budget to help you better understand some of the common jargon. If you would like additional information about the Budget, or have ideas on how we can make the Budget more understandable and informative, please contact the Director of Financial Services at webmaster@ci.milpitas.ca.gov.

Fund Descriptions

The basic accounting and reporting entity for a City is a fund. A fund is “an independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created”. Funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds used in government are classified into three broad categories: governmental, proprietary and fiduciary. Governmental funds include activities usually associated with a typical state or local government's operations (public safety, general government activities, etc.). Proprietary funds are used in governments to account for activities often found in the private sector (utilities, stadiums, and golf courses are prime examples). Trust and Agency funds are utilized in situations where the government is acting in a fiduciary capacity as a trustee or agent. The various funds are grouped in fund types and categories as follows:

Governmental Funds

Government Funds include activities usually associated with the governmental entities' operations (police, fire and general government functions).

General Fund -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are sales taxes, property taxes, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for general government activities, public safety, most street work and the other services described above.

Measure I Transient Occupancy Tax Fund - was established to account for 2% Transient Occupancy Tax of the cost of hotel and motel rooms in the city. This measure was approved by the Milpitas voters on November 7, 2000 to pay for most City services including Police, Fire or library, etc.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

- **Public Art Fund** - was established to account for construction or acquisition of public art to expand opportunities for the City of Milpitas' citizens to experience public art and enhance the quality of life in the community. The city dedicates 1.5% of eligible projects within the annual Capital Improvement Project expenditures to the acquisition and installation of public art. The expenditures will include, but not limited to, the cost of public art, its installation, maintenance and repair of artwork funded by this fund.
- **Gas Tax Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided by the City's share of state gasoline taxes.
- **Lighting and Landscape Maintenance District Fund** - was established to account for assessments within a district. Revenue is used for servicing and maintaining the public landscaping and additional lighting for the district.
- **Community Facility District Fund** - was established to account for special taxes collected within the district to provide park maintenance and street landscape maintenance services.
- **Housing and Community Development Fund** - was established to account for community development block grants and expenditures.
- **Law Enforcement Services Fund** - was established to account for the proceeds from the sale of assets which were seized in connection with drug related arrests made by the Allied Agency Narcotic Enforcement Team (AANET) of Santa Clara County and federal asset forfeiture funds received through the Equitable Sharing program. Shared funds must be used only for specified law enforcement purposes; funds are to be used to augment law enforcement budgets, not supplant them. This fund also accounts for the Supplemental Law Enforcement Services grant and expenditures.
- **Solid Waste Services Fund** - was established to account for landfill tipping fees allocated by Santa Clara County. The County allocates a fee of \$1 per ton to each City to be used in relation to the State of California Waste Reduction Act. Revenue is used for the implementation of future waste reduction programs to meet the future State required landfill deposits percentage reduction. The fund also accounts for special charges built into garbage rates specifically for community promotions and household hazardous waste activities. These activities support the City's ongoing efforts to meet State mandates to reduce waste.
- **Housing Reserve Fund** - was established by the Redevelopment Agency of the City of Milpitas to account for tax allocations set aside for the purpose of increasing or improving the City's supply of low or moderate income housing. This fund is inactive as of 1/31/2012 due to Assembly Bill 1X26.

- **Housing Authority Fund** - was established to allow the City to aggressively plan and address aging of the Milpitas housing stock, limited amount of land, high costs of housing, continuous overcrowding and potential increase in unsanitary conditions. The establishment of a Housing Authority allows the City to improve the quality of life and standard of living for a substantial number of its residents.

Debt Service Funds - Debt Service Funds are used to account for financial resources to be used for the payment of principal and interest on governmental fund long-term debt. The City has the following outstanding bonds: 2003 Tax Allocation Bond and 2006 Certificates of Participation.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

- **Street Improvement Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided through State and federal grants.
- **General Government Fund** - was established to account for the construction and maintenance of community improvements. Capital projects previously accounted for in the General Fund has been incorporated in this fund.
- **Park Improvement Fund** - was established to account for the construction and maintenance of City parks. Financing is provided by a special parks improvement fee imposed on developments.
- **Transit Area Impact Fee Fund** - was established to account for the financing and construction activities of infrastructure in the Transit Area Specific Plan.
- **Storm Drain Improvement Fund** - was established to account for the construction and maintenance of City storm drains. Financing is partially provided by fees imposed on developments

Proprietary Funds

Enterprise Funds -- Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City operates the Water Utility and Sewer Utility enterprise funds.

- **Water Utility Fund** - was established to provide water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, and billing and collection.
- **Sewer Utility Fund** - was established to provide sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

Internal Service Funds -- Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

- **Equipment Management Fund** - was established to finance and account for the replacement of equipment used by City departments on a cost reimbursement basis.
- **Information Technology Replacement Fund** - was established to finance and account for the replacement of information technology equipment used by City departments.
- **Permit Automation Fund** - was established to finance and maintain the online permit development system.

Fiduciary Funds

Agency Funds -- Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

- **LIDs Fund** - was established to account for debt service reserves of Local Improvement Districts (LID) for which the City acts as administrator and paying agent. The City is not obligated for the debt issued by the LIDs.

- **Employee Benefit Fund** - was established to account for self-insured employee dental plan, short term disability plan and MOU contractual agreements.
- **Senior Advisory Commission Fund** - was established to account for the fund raising activities of the Commission.

Revenue Descriptions

The City of Milpitas provides many services to its residents such as Police, Fire, Parks, Recreation, etc. These services are not without cost to the taxpayer. It is the task of City Officials to produce the necessary revenue to satisfy the ever-growing demand for local services.

The City of Milpitas receives revenue from many sources to offset the costs of its operations. Revenue is received from sales taxes, property taxes, and many other sources. For each fiscal year, the City's revenues are estimated conservatively and, therefore, actual revenues received often exceed the estimated projections. This section will describe the major revenue sources available to the City. The Summary of Current Revenues by Fund will provide a more detailed breakdown of all revenues. The major revenue sources are as follows:

Property Taxes

Property Taxes -- Property tax is imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property located within the City. The tax comprises one percent of the assessed value of the property. The assessed value of real property appraised by the County Assessor in the 1975-76 assessment role value adjusted after 1975 by a two percent inflation factor per year. When property changes hands or new construction occurs, it is reassessed at its current market value.

Other Taxes

Sales and Use Tax -- Sales and use tax is imposed on retailers for the privilege of selling, at retail, within the City limits. This tax is based on the sales price of any taxable transaction of tangible personal property. The Bradley-Burns Uniform Local Sales and Use Tax Law, adopted in 1955, extends the authority to impose local tax to counties. One percentage point of the sales tax collected by the State Board of Equalization is allocated back to the City for general purposes. This revenue is placed in the General Fund for unrestricted uses.

Franchise Fees -- A Franchise Fee is imposed on various utilities and organizations which permits them to use and operate those facilities within the City. In Milpitas, franchise fees are charged for Electric, Gas, Garbage, Nitrogen Gas and Cable Television franchises.

Business License Tax -- A Business License Tax is imposed on businesses for the privilege of conducting business within the City. Fees are based on bracketed structures according to the type of business. The fee structures are as follows: average number of employees, number of units or rooms, number of vehicles or a flat fee.

Transient Occupancy Tax -- The Transient Occupancy Tax in Milpitas is a ten percent (10%) tax on the cost of a hotel room and imposed on "transients" who occupy a room or rooms in a hotel, inn, motel, tourist home or other lodging facility within the City's limits.

Licenses and Permits

Building Permits -- The City requires that building permits be obtained to ensure that structures meet specific standards as identified in the Municipal Code. The City requires various construction permits for activities such as the installation of electrical and plumbing. The City charges a fee for issuing these permits in order to recover the costs incurred.

Fire Permits -- The Milpitas Municipal code requires permits be obtained and inspections conducted to ensure activities regulated by the fire code meet specific standards for the protection of life, property and the environment. Activities include: high piled combustible storage, hazardous materials, assembly, and life safety inspections of licensed facilities, apartments, and hotels and motels.

Fines and Forfeitures

Vehicle Code and Other Court Fines -- The City receives a portion of all fines assessed, in Milpitas, for infractions of the State of California Vehicle Code and may receive other court fines as directed by the County, State or Federal Courts.

False Alarm Fees -- Currently the Milpitas Municipal Code provides that a property may have two false alarms in a one-year period. Subsequent false alarms, within that period, are assessed a service charge that can increase from \$300 to \$900 depending on the number of alarms.

Booking Fees -- Counties within California are authorized to charge a “criminal justice administrative fee” intended to cover the “reimbursement of County expenses incurred” for booking and processing of arrested persons who are brought to the County jail for booking or detention. In return, Judges may pass along the City’s costs to the offender as part of their court-ordered restitution.

Use of Money and Property

Interest on Pooled Investments -- Interest income is earned as the City invests its idle funds in various investment instruments. The goal of the City regarding investments is to ensure the safety of each investment and maintain liquidity while achieving a fair rate of return - safety, liquidity and yield - in that particular order.

Intergovernmental

Motor Vehicle In-Lieu Tax -- The Motor Vehicle In-Lieu Tax is collected by the State Department of Motor Vehicles through its vehicle registration program in-lieu of a City personal property tax on motor vehicles.

Gas Tax -- The State Gas Tax is derived from State of California taxes on gasoline purchases and is allocated, on a share basis, to cities. The Gas Tax revenues are broken down into Sections 2106, 2107 and 2107.5. Sections 2106 and 2107 funds are restricted to the construction, improvements and maintenance of public streets. Section 2107.5 funds are restricted to engineering costs and administrative expenses with respect to City streets.

Federal, State and County Contributions -- Senior Nutrition fees are one example a County contribution that is reimbursed to the City from the County of Santa Clara for lunches provided to senior citizens.

Miscellaneous Grants --

- Community Development Block Grant - The Housing and Community Development Block Grant (CDBG or HCD) program was designed by the Department of Housing and Urban Development (HUD) to revitalize low and moderate income areas within a city. The use of CDBG funds is restricted by specific provisions and is managed by the Housing function.
- Public Safety Grants - The City is currently receiving multiple public safety grants including: Supplemental Law Enforcement Services Grant, Local Law Enforcement Block Grant, and Justice Assistance Grant. Future grant spending will be designated for vehicles, equipment and technology improvements.
- SB90 - The law in the State of California provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. Costs mandated by the State means any increased costs which a local agency is required to incur after July 1, 1990, as a result of any new statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service in an existing program.

Charges for Current Services

Charges for Current Services -- All City’s basic service charges are recorded at the department or division levels that are associated with specific governmental and enterprise activities. These service levels are: General Government, Planning, Fire, Police, Recreation, Building and Public Works. This is a GASB 34 requirement.

Planning Fees and Sale of Maps and Documents -- Included in these fees are a range of service charges for staff responses to inquiries from the public to review and interpretation of complicated planning and zoning ordinances. Also included are reproduction costs associated with maps and documents from all functions within the organization.

Recreation Fees -- Recreation fees include user program fees for preschool, after-school, teen and summer camp programs; swimming lessons; special events and youth and adult recreational classes.

Rents and Concessions -- Rental fees are charged for the private use of City facilities. Rental facilities include the Community Center, Sports Center, Senior Center, the Jose Higuera Adobe and parks throughout the City.

Other Revenues

Development --

- Park Development Fees - The Park Development Fee is paid by a developer or subdivider for park or recreation purposes, in-lieu of the dedication of the land.

- **Treatment Plant Fees** - Treatment Plant fees are payment for the purchase of waste water treatment capacity rights. The fee is measured in gallons per day, and the higher the usage, the higher the fee. All fees collected are used for Capital Improvement Projects or for Capital Operating Costs at the San Jose/Santa Clara Water Pollution Control Plant or within the City.
- **Traffic Impact Fees** - A Traffic Impact Fee is an exaction from a developer to mitigate traffic impacts associated with the development of the subject property. These fees can be dictated by ordinance or by documentation in a Traffic Impact Analysis (TIA) and are then conditions of approval for the development.

Reimbursements –

- **AVASA** - Beginning in 1996, the State of California, through the Abandoned Vehicle Abatement Service Authority, began reimbursing cities for vehicle abatement activities based on a per vehicle cost. The State reimbursement varies from year to year based on the number of vehicles claimed by all participating cities.

Miscellaneous –

- **Special Assessments** - Local Improvement Districts (LIDs) are established in various parts of the City to provide improvements to properties located in those districts. Properties in the districts are assessed for the cost of improvements; these assessments are payable over the term of the debt issued to finance the improvements and must be sufficient to repay this debt
- **Solid Waste** - Currently the Solid Waste function has two very different revenue streams. The first AB939 is collected by the County as a Tipping Fee at the Landfill and reimbursed to the City on a quarterly basis. The purpose of this fee is to encourage achievement of the State's landfill reduction goal. The second fee is paid by the solid waste customers, incorporated in user rates, and is specifically earmarked for community education and the Household Hazardous Waste programs.

Expenditure Descriptions

Personnel Services

Salaries and Wages

Permanent – Salaries for full time and part time permanent employees.

Temporary – Salaries full time and part time employees who are hired in temporary or substitute basis.

Overtime – Amounts paid to employees for work performed in addition to the normal work period. Hours work in excess of 40 hours per week.

Allowances / Leaves

Allowances – Amounts paid to employees who are entitled to allowances such as car, telephone, uniform, special licenses, canine, motorcycle, SWAT, pager and bilingual pay.

Leave CashOut – Amounts paid to employees for hours cashed out from sick or vacation time banks.

Accrued Leave – To record year-end adjustments of accrued vacation according to the Generally Accepted Accounting Principles (GAAP). For ACCOUNTING USE ONLY.

Benefits

P E R S – Amounts contributed to the Public Employees' Retirement System (PERS) plan for its employees.

Group Insurance – City of Milpitas' share of any insurance coverage for its employees such as Medical, Dental, Vision, Life Insurance, Long Term Disability and Short Term Disability.

Medicare-Employer's Contribution – City of Milpitas' share of the Federal Medicare contributions for its employees.

Worker's Compensation – Amount allocated to pay for worker's compensation claims made by employees.

MOU Contractual Agreements – Amounts paid according to negotiated MOU agreements.

Deferred Compensation – Employer Contribution – Contributions made to the employees' deferred compensation plan.

P A R S – Amounts contributed to the Public Agency Retirement System-Alternate Retirement System (PARS-ARS) plan for temporary employees not in the PERS system. This is an alternative to the Social Security System.

Retiree Benefits

Retiree Medical Reserve – Amount allocated to fund a portion of the outstanding retiree medical benefits liability.

Retiree Medical Payment – Payment of the outstanding retiree medical benefits liability.

Retiree Medical Reimbursement – Reimbursement from California Employer Benefit Trust fund for retiree medical payment.

Adjustments – Payroll

Adjustments – Payroll – To record year-end payroll adjustments in accordance to the Generally Accepted Accounting Principles (GAAP), i.e., Accrued Payroll which reflects salaries and wages earned by employees as of June 30 but not paid until July. FOR ACCOUNTING USE ONLY.

Vacancy Factor – Budget amount to account for vacant positions.

Charged to CIPs – Budget amount to account for payroll costs that will be charged to the Capital Improvement Projects.

Overhead – PJs contractual Labor and Payroll – A charge made to a developer account to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account charged.

Salary Reduction – Budget amount to account for reduced funding.

Supplies and Contractual Services

Community Promotions, Grants and Loans

Community Promotions – Public relations activities that are aimed to contribute to the progress or growth of the community.

Community Promotions CC Allocated – Public relations activities for progress or growth of the community allocated by the CITY COUNCIL.

Community Promotions CC Unallocated – Public relations activities for progress or growth of the community not yet allocated by the CITY COUNCIL.

Cultural Arts Grants – Financial assistance provided for Cultural Arts programs or activities.

Miscellaneous Grants – Financial assistance provided for miscellaneous grant programs.

Sports Grants – Financial assistance provided for Sports programs or activities.

Housing Rehab Loans – Amount loaned to homeowners for housing rehabilitation purposes under the Community Development Block Grant (CDBG) program.

CDBG Grants – Payment to subrecipients of CDBG Grants.

Miscellaneous Loans – Loans other than for housing rehabilitation purposes under the CDBG program.

Department Allocations

Equipment Replacement Amortization – Department's share of the fund being set aside for the purpose of replacing equipment in the Equipment Replacement Program.

Supplies

Generally, these are items that are consumed.

Office Supplies – Purchased for office use. Examples are pen, folders, drinking water, and coffee.

Departmental Supplies – Items that are used for the programs of the department. Examples are food for the Senior Center, sports supplies for the Recreation Department, target supplies for the Police Department, and tools for Public Works.

Maintenance Supplies – Used for repairs and maintenance of equipment or building. Examples are bolts, screws, nails, janitorial supplies, etc.

Health & Safety Supplies – Used for health and safety purposes. Examples are goggles, safety shoes, hard hats, gloves, first-aid kits, VDT glasses, etc.

Contractual Services

Generally, amount paid for services rendered by organization or personnel not on the payroll of the City of Milpitas. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

Advertising – Costs of media services and associated costs. Media advertising includes magazines, newspapers, radio and television programs, direct mail, exhibits, and the like. Examples are advertising for such purposes as personnel recruitment, legal ads, new and used equipment and sale of property, and City Clerk notices of meetings.

Blueprinting – Usually are services provided to blueprint the engineering plans.

Contractual Services – Services rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement. Payment of fees to contractors to acquire license or permits for the City of Milpitas should be recorded in this account. NOTE: Copier charges should be paid from this account.

Contractual Services-PJ's Labor – Rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement for its Private Jobs (PJ). Examples are carpentry, painting, and other labor for the City's Private Jobs.

Audit Fees – Professional services provided by Certified Public Accountants (CPA) firms for the purpose of auditing the City's financial statements. Example is the Comprehensive Annual Financial Report.

Street Sweeping – Includes sweeping and washing streets, flushing gutters and underpasses and collecting and disposing of debris from streets and public roadways.

Repair & Maintenance – Repair and maintenance services provided by personnel not on the payroll of the City of Milpitas. This includes repair and maintenance of the City's buildings and equipment. Examples are vehicular, equipment, and/or facilities repair and maintenance. Cost of warranty obtained after the original equipment warranty expired or any warranties obtained after the purchase of the equipment should be recorded to this account. Annual maintenance agreement or contract on equipment should be recorded here.

Rents and Leases – Costs for renting or leasing land, buildings, equipment and vehicles for either temporary or long range use by the City of Milpitas. Agreement should not have an option to buy or to acquire ownership at the end of the lease term. (Please see Capitalized Leases, also).

Contributions to Non-City owned Capital Assets – Costs incurred in capital improvement projects that the City does not have the ownership of the property. These costs generally incurred by the City for the benefits of the residents in Milpitas but the property is owned by another government agency. For example, the City spent money to improve the I880/237 intersection to improve the quality of life for local residents, but the City does not own the intersection. CalTrain owns the intersection. For ACCOUNTING USE ONLY – GASB 34

Legal Services

Retainers and Fees – Fees paid to engage the services of a professional adviser as an attorney.

ABAG Attorney's Fees – Fees paid to Associate Bay Area Government (ABAG) attorney.

ABAG Settlements – Costs paid to ABAG for settling insurance claims.

Litigation – Costs incurred to settling litigation or lawsuits. This should include costs incurred during legal proceedings.

Elections

Elections – Includes expenditures for holding general primary and special elections.

Communications

Communications – Except the categories below, any services provided by persons or businesses to assist in transmitting and receiving messages or information.

Phone-Local – Basic monthly telephone charges. Computer Data Lines – Charges for computer data lines services such as internet user's fees and charges, T1 line monthly charges, and web site charges, if any.

Phone-Long Distance – Long distance telephone charges.

FAX – Fax line fees and charges.

Pagers – Pagers monthly fees.

Cellular Phones – Fees and charges associated with cellular telephones.

Fire Alarms – Fees and charges for usage and maintenance of fire alarm lines.

Police Alarms – Fees and charges for usage and maintenance of police alarm lines.

Utilities

Utilities – Expenditures for energy except gas, electric and water. Examples are bulk oil normally used for heating, and bulk gasoline or diesel purchase for non-transportation use. Gasoline or diesel purchased for transportation purposes should be charged to account 4223 departmental supplies.

Utilities-Gas – Gas purchased from a public or private utility company for the City of Milpitas facilities consumption.

Utilities-Electric – Electricity purchased from a public or private utility company for the City of Milpitas facilities consumption.

Utilities-Water – Water purchased for the City of Milpitas facilities consumption. Drinking water bottles purchased should be charged to account 4221 Office Supplies.

SFWD, Wholesale Water Purchase – Water purchased from San Francisco Water Department (SFWD) for resale to the residence and businesses being served by the City of Milpitas.

SCVWD, Wholesale Water Purchase – Water purchased from Santa Clara Valley Water District (SCVWD) for resale to the residence and businesses being served by the City of Milpitas.

Recycled Water Purchase – Purchased for resale to the businesses being served by the City of Milpitas. For irrigation use only.

Treatment Plant, Capital – City of Milpitas share of the Water Pollution Control Plant-Capital Improvement Program paid to City of San Jose.

Treatment Plant, M & O – City of Milpitas waste water treatment fees paid to City of San Jose –Maintenance and Operation.

Memberships, Training and Travel

Membership and Dues – Amount paid for an employee or group of employees of the City of Milpitas to be a member of an organization.

Professional Licensing – Fees paid for an employee of the City of Milpitas to acquire or renew a license or permit in order for him/her to exercise his/her profession. Examples are CPA and Civil Engineer licenses.

Training/Registration – Fees paid for a City of Milpitas employee to enroll or attend a seminar, workshop, and/or training class.

Lodging/Travel – This is the actual amount paid for a place to stay while a City of Milpitas employee is conducting out-of-the-office business (e.g. hotel accommodation). Airfare and other transportation expenses, except use of own vehicle, such as shuttle to airport and hotel, and car rental are recorded in this account. This is associated with approved travel request.

Meals for Meetings – Expenses incurred to provide food in conducting department and/or business meetings. Restaurant meals eaten off site must be approved in advance according to the SOP 8-1.

Per Diem – Specified daily meals, incidental expenses, and/or lodging allowance in lieu of actual meal(s), and/or lodging expenses incurred while conducting out-of-the-office business. This is associated with approved travel request. Per Diem rates vary according to your business destination. City of Milpitas' per diem rates are according to the Maximum Federal Per Diem Rates for Travel in Continental United States (CONUS). Please call the Finance Department or refer to the current IRS Publication 1542 for the appropriate per diem rates of your business destination.

Mileage Reimbursement and Parking – Payment to an employee for the use of his/her vehicle to conduct out-of-the-office business including parking costs. According to the City of Milpitas SOP 6-1, Section 2d, "Mileage reimbursement shall be at the rate as set by the Internal Revenue Code and shall be reimbursed for the distance between home and destination or work and destination, whichever is less." Please call the Finance Department or refer to the current IRS Publication 535 for the mileage rate.

Tuition Reimbursement – Amount reimbursed by the City of Milpitas to any employee qualifying for tuition reimbursement, based upon the City's policy. Please refer to the Memorandum of Understanding of each bargaining unit.

Commissions and Boards

Conference Expenses – For COMMISSIONS and BOARDS USE ONLY. This is for conference related expenses.

Non-Conference Expenses – For COMMISSIONS and BOARDS USE ONLY. This is for nonconference related expenses.

Insurance and Settlements

Liability – Payments of insurance premiums for general liability coverage, public official bond, administrative and property coverage.

Uncollectible Accounts

Uncollectible Accounts – Portion of a receivable not expected to be collected. For ACCOUNTING USE ONLY.

Collection Fees – Fees paid to a collection agent (bureau) for collecting monies owed the City from unpaid receivables. The fees are usually based on a percentage of the collected total amount.

Depreciation and Amortization

Depreciation & Amortization – Depreciation is the portion of the cost of a fixed asset charged as an expense during a particular period. Amortization is the portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. For ACCOUNTING USE ONLY.

Contingent Reserve

Contingent Reserve – Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, unsettled disputed claims. Includes reserve 1% of the General Fund Budget per the budget resolution, adjusted annually. For ACCOUNTING USE ONLY.

Loss on Sale

Loss on Sale – Records the loss incurred on sale of property or equipment. ACCOUNTING USE ONLY.

Adjustment – Service and Supplies

Reduced Funding – Budget amount to account for reduced funding.

Debt Service

Principal

Expenditures for periodic principal maturities of general obligation bonds or payments of principal on general long-term debt other than bonds.

Retirement of Principal – Payments of Bond Principal.

Principal – COP – Payments of Bond Principal – Certificate of Participation.

Principal – Advance – Payments of other debt principal – Advanced fund.

Interest

Periodic interest on general obligation bonds or interest payments on general long-term debt other than bonds.

Interest Expense – Bond interest payments.

Interest – COP – Bond interest payments – Certificate of Participation

Interest – Advance – Other debt interest payments-Advanced fund.

Contractual Obligation

Fiscal Agent's fees are payments made to financial institutions for services rendered in paying interest and redeeming debt at maturity.

Cost of Issuance – Payments to bond underwriters, legal fees and other costs associated with bond issuance.

Premium-Bond Prepayment

Premium-Bond Prepayment – Fees (redemption premium) paid for early bond call (bond or any portion of its principal redeemed and paid in advance of maturity).

Capital Outlay > \$5,000

Items to be recorded to the object and detail codes under this category should have acquisition cost of \$5,000 or more per unit and have a useful life of two or more years. Acquisition cost means the net invoice unit price of an item including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges such as taxes, duty, protective in-transit insurance, freight, and installation; and, extended warranties when purchased at the time of the equipment can be included in the acquisition cost. Please see FIXED ASSETS INVENTORY CONTROL and CAPITALIZATION POLICY, also.

Capital Improvements

Capital Outlay

Capital Outlay – Expenditures for the acquisition or construction of major capital facilities that do not fall under any of the Capital Outlay > \$5,000 categories. This is usually the accumulation of the Capital Improvement Project's (CIP) expenditures by phase. Though CIPs expenditures are coded in detail, the result rolls up to this account by phase.

Land

Land – Purchase price plus legal and title fees, professional fees, surveying fees, site preparation cost, and/or any cost incurred to place land in condition for its intended use.

Land Improvements

Land Improvements – Permanent improvements, other than buildings, that add value or useful life to land. Examples are parking lot, fence and gates, retaining walls, fountains, swimming pools, tennis courts, trails and paths.

Buildings and Improvements

Buildings and Improvements – Permanent structures purchased or otherwise acquired by the City. Includes the principal amount of capital lease payments resulting in the acquisition of the building. Payments to building authorities or similar agencies are not to be included in the acquisition cost. The category includes improvements to buildings owned by the City of Milpitas. Examples are additional installation of heating and ventilating systems, and installation of fire protection system.

Infrastructure

Infrastructure – Public domain capital assets includes roads, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, landscape systems, storm systems and traffic systems.

Vehicles

Vehicles – Equipment used to transport persons or objects. Cost includes transportation charges, sales tax, installation costs and extended maintenance or warranty contracts, if purchased at the same time of the equipment. Examples are police cars, fire trucks, and maintenance trucks. Accessories and installation costs can be included if done during the purchase or within 30 days after the purchase of the vehicle.

Capitalized Leases

Capitalized Leases – Principal lease payments for land, building, and/or equipment that will be acquired or subject for ownership within the term of the lease or at the end of the lease. Once acquired, it will be reclassified as land, building, or equipment. Lease contract usually has a clause indicating the option to buy.

Machinery and Equipment

Machinery and Equipment – Any single machinery or equipment except vehicles and computer hardware and software, with an acquisition cost of \$5,000 or more per unit and have a useful life of two or more years. Examples of machinery and equipment are printing press, lathe machines, drill presses and movable generators.

Computer Hardware – Example is a server.

Computer Software – Examples are the Accounting Software being utilized by the City of Milpitas Finance Department and the Best Fixed Assets system.

Furniture and Fixtures

Furniture and Fixtures – Office furniture and building fixtures.

Adjustments – C I P

Adjustments – CIP – Account being used to record year-end CIP adjustments in accordance to the Generally Accepted Accounting Principles (GAAP) to reclassify CIP capital expenditures to the Fixed Assets.

Capital Outlay < \$5,000

In addition to the fixed asset categories above, the City of Milpitas performs a risk assessment on City assets to identify those at risk or vulnerable to loss. Items that have a unit acquisition cost of less than \$5,000 but are vulnerable to loss is to be recorded to the following detail codes. Items that are not falling under the categories below should be charged to supplies categories.

Office Furniture and Fixtures

Office Furniture and Fixtures – Examples are chair, table, dividers and workstations.

Machinery and Equipment

Machinery and Equipment – Examples are fax machines, firearms, weapons, and defibrillators.

Computer Hardware – Examples are desktop computers, laptops, printers, and scanners.

Computer Software – Examples are application and utility programs such as Microsoft Windows programs.

Electronic Equipment – Examples are cell phones, radios, PDAs, digital cameras, and televisions.

Hydrants and Meters

Hydrants and Meters – Cost of fire hydrants and water meters.

List of Funds

100	General Fund	300	Capital Projects Funds
100	General	310	Street Improvement
102	Measure I TOT	311	Street CIP
103	1452 S. Main	312	Traffic Impact Fees
104	Cable Rebate	313	Traffic Congestion Relief
105	Abandoned Vehicle Abatement	314	Vehicle Registration Fee
120	Browning Ferris Holding	315	Calaveras Widening Impact Fee
130	Private Job Developer Deposits	316	Montague Widening Impact Fee
150	Redevelopment Activities	317	Milpitas Business PK Impact Fee
		320	Park Improvement
200	Special Revenue Funds	321	Park Improvement CIP
211	Hetchy-Hetchy Ground Lease	322	Midtown Park Fee
213	Public Art-Nonrestricted	330	General Government
214	Community Planning Fund	331	General Government CIP
221	Gas Tax	340	Storm Drain Development
235	95-1 Lighting and Landscape Maint. District	341	Storm Drain CIP
236	98-1 Lighting and Landscape Maint. District	350	Transit Area Impact Fee
237	2005 Community Facility District	351	Transit Area CIP
238	2008 Community Facility District	352	Piper Montague Infrastructure
250	Housing and Community Development		
251	Housing and Community Dev Loan		
261	Supplemental Law Enforcement Services		
262	State Asset Seizure		
263	Federal Asset Seizure		
267	Justice Assistance Grant		
269	Grant Fund		
280	Solid Waste Services		
295	Housing Authority		

400 Enterprise Funds

400	Water Maintenance and Operation
401	Water CIP
402	Water Line Extension
403	Water Bonds
405	Water Infrastructure Replacement
450	Sewer Maintenance and Operation
451	Sewer CIP
452	Treatment Plant Fee
453	Sewer 2006 COPS
455	Sewer Infrastructure Replacement

500 Internal Service Funds

500	Equipment Management
505	Information Technology Rplcmt
506	Permit Automation Fund

600 Agency Funds

641	Short Term Disability
643	MSA MOU Contractual Agreement
644	Police MOU Contractual Agreement
645	Police Command Staff Benefits
646	PROTECH MOU Contractual Agreement
647	LIUNA MOU Contractual Agreement
648	IAFF MOU Contractual Agreement
649	Fire Unrep Benefit Fund

List of Departments/Divisions/Functions

1 City Manager		3 Finance	
10 City Council		30 Finance Administration	
100 City Council		300 Finance Administration	
11 City Manager		31 Finance Operations	
111 City Manager		310 Finance Operations	
114 City Clerk			
116 Economic Development			
		4 Public Works	
		42 Public Works	
		400 Public Works Administration	
		421 Street Maintenance	
		422 Utility Engineering	
		423 Utility Maintenance	
		424 Park Maintenance	
		425 Trees & Landscape Maint.	
		426 Fleet Maintenance	
		427 Facilities Maintenance	
		14 Engineering	
		411 Engineering Administration	
		412 Design and Construction	
		413 Land Development	
		415 Traffic Engineering	
2 City Attorney			
12 City Attorney			
120 City Attorney			
13 Building and Safety			
53 Building and Safety			
531 Building Inspection Services			
532 Plan Checking			
533 Building Administration			
534 Permit Center			
11 Information Services			
14 Information Services			
112 Information Services			
12 Human Resources		5 Planning and Neighborhood Services	
15 Human Resources		51 Planning and Neighborhood Services	
115 Human Resources		512 Planning	
		551 Neighborhood Services	
		7 Police	
		70 Police Administration	
		700 Police Administration	
		71 Support Services Bureau/Technical	
		711 Records	
		712 Training and Personnel	
		713 Communications	
		72 Operations Bureau/Field Services	
		721 Patrol Services	
		722 Traffic	
		723 Crossing Guards	
		73 Support Services Bureau/Special	
		714 Community Relations/Youth	
		724 Investigations	
6 Recreation Services			
45 Recreation			
161 Recreation Administration			
162 Senior Citizen Services			
163 Pre-K Enrichment			
164 Youth Program			
166 Teens			
167 Special Events			
168 Marketing			
169 Performing Arts			
170 General Classes			
171 Aquatics			
172 Sports and Fitness Classes			
173 Adult Sports			
174 Volunteer Services			

8 Fire

- 80 Fire Administration
 - 801 Fire Administration
- 81 Emerg Resp & Prep Division
 - 812 A/B/C Battalions Operations
 - 840 Disaster Prep & Public Education
- 82 Prevention Division
 - 821 Prevention Division Admin
 - 822 Fire Inspection, Plan Check & Investigation

9 Non-Departmental

- 91 Non-Departmental
 - 910 Non-Departmental
- 92 Debt Service
 - 920 Debt Service
- 93 Equipment to be Depreciated
 - 930 Equipment to be Depreciated
- 94 Economic Development Corporation
 - 941 1432 S. Main
 - 942 1452 S. Main
- 95 Other Functions
 - 951 Capital Improvement Projects
- 98 Senior Advisory Commission
 - 981 Senior Advisory Commission

List of Revenues

300 Property Taxes

3010	Property Taxes-Current
3010	Property Taxes-Current
3011	Current-Secured Property Taxes
3012	Current-Unsecured Property Taxes
3531	Property Tax, Supplemental
3020	Property Taxes-Prior
3020	Property Taxes-Prior
3021	Prior-Secured Property Taxes
3022	Prior-Unsecured Property Taxes
3050	Property Taxes-RPTTF Distribution
3051	Property Taxes-RPTTF Distribution

310 Other Taxes

3110	Sales and Use Tax
3110	Sales and Use Tax
3111	.5% Sales and Use Tax
3120	Real Estate Transfer Tax
3120	Real Estate Transfer Tax
3130	Franchise Tax
3131	Electric Franchise
3132	Gas Franchise
3133	Garbage Franchise-Commercial
3134	Garbage Franchise-Non Commercial
3135	Solid Waste-Community Relations
3136	Solid Waste-Household Haz Waste
3137	Nitrogen Gas Franchise
3138	CATV Franchise
3139	County-wide AB 939 Fees
3140	Business License Tax
3140	Business License Tax
3150	Hotel/Motel Tax
3151	Beverly Heritage
3152	Embassy Suites
3153	Crowne Plaza
3154	Sheraton
3155	Best Western-Brookside
3156	Larkspur Landing
3157	Park Inn
3158	Audited TOT
3160	Executive Inn
3161	Days Inn
3162	Extended Stay of America
3163	Hampton Inn-Milpitas
3164	Hilton Garden Inn

3165	Homestead Village
3166	Marriott Courtyard
3167	Milpitas Travelodge
3169	Residence Inn by Marriott
3170	Best Value Inn
3171	Towneplace
3172	Stay Bridge Suites

320 Licenses and Permits

3210	Building Permits
3210	Building Permits
3211	Plan Check Revisions
3212	After Hour Plan Check
3213	After Hours Inspection
3214	Re-inspection
3215	Dedicated Building Services
3216	Mobile Home Inspections
3217	Plan Check
3218	Building Investigation
3220	Fire Permits (Annual)
3220	Haz Mat Const Permits & Insp
3221	Life Safety Const Permits & Insp
3222	Haz Mat Annual Permits & Insp
3223	Fire Penalties
3224	Hazardous Waste Fees
3225	Non-Pt Source Permits & Insp
3240	Life Safety Annual Permits and Insp
3240	Life Safety Annual Permits & Insp
3241	Haz Mat Construction Permits
3250	Fire Inspections
3250	Fire Inspections
3251	Building Standards and Life Safety
3252	Fast Track After Hour Inspection
3260	Planning Licenses and Permits
3261	Animal Licenses

330 Fines and Forfeits

3300	Fines and Forfeits
3301	Vehicle Code Fines
3302	Other Court Fines
3304	Hazardous Materials Fines
3305	Booking Fees
3306	NBO Violation Fees
3307	Impound Fees
3308	Animal Violations
3309	False Alarm Fee
3310	Fire Administrative Citation
3311	Building Administrative Citation
3312	Planning Administrative Citation
3313	PW Municipal Code Fines
3321	Urban Runoff Fines

340 Revenues from Use of Money

3430	Investments
3430	Interest Income
3431	Pooled Interest (nonallocation)
3432	Cash with Fiscal Agents
3433	Other Interest Income
3434	Pooled Interest (allocation)
3435	Gain on Sale of Investments
3436	Market Value Gain/Loss on Inv
3437	Gain on Bond Refunding
3438	Interest from Deferred Revenue

350 Intergovernmental Revenue

3510	In Lieu Tax
3511	Motor Vehicle In Lieu Tax
3512	State Trailer Coach In Lieu Tax
3520	Tax Relief
3521	Homeowners Property Tax Relief
3522	Business Inventory Tax Relief
3530	Tax
3532	Off-Highway Tax
3540	Gas Tax
3543	Section 2103-Gas Tax
3545	Section 2105-Gas Tax
3546	Section 2106-Gas Tax
3547	Section 2107-Gas Tax
3548	Section 2107.5-Gas Tax
3550	Federal Contributions
3551	Federal Contrib-General Gov't
3553	Federal Contrib-Building
3555	Federal Contrib-Public Works
3556	Federal Contrib-Recreation

3557	Federal Contributions-Police
3558	Federal Contributions-Fire
3559	Federal Contributions-Planning
3560	State Contributions
3561	State Contrib-General Gov't
3562	POST Grant
3563	State Contributions-Building
3565	State Contrib-Public Works
3566	State Contributions-Recreation
3567	State Contributions-Police
3568	State Contributions-Fire
3569	State Contributions-Planning
3570	County Contributions
3571	County Contrib-General Gov't
3572	S Bay Water Recycling Prog
3573	County Contributions-Building
3575	County Contrib-Public Works
3576	County Contrib-Recreation
3577	County Contributions-Police
3578	County Contributions-Fire
3579	County Contributions-Planning
3580	Other Restricted Grants
3581	Other Restricted Grants-General
3582	SB90 Grant
3583	Other Restricted Grants-Building
3585	Other Restricted Grants-Pub Wks
3586	Other Restricted Grants-Rec
3588	Other Restricted Grants-Fire
3589	Other Restricted Grants-Planning
3590	Misc Unrestricted Intergovernmental
3591	Misc Unrestricted Intergov'l
3592	ERAF Refund

360 Charges for Services

3600	General Government	3648	PJ Overhead Charges-Police
3601	Gen Government Service Charges	3649	PJ Labor Reimbursement - Police
3602	Sales of Maps and Documents-GG	3650	Recreation Services
3603	Rents, Lease and Concession-GG	3651	Rents, Lease & Concess-Rec
3604	B L Processing Fee	3652	Recreation Fees
3608	PJ Legal Overhead Charges	3653	Senior Nutrition Fees
3609	PJ Legal Reimbursement	3654	Sales of Maps & Docs-Rec
3610	Public Works and Engineering Services	3655	Sales of Merchandise-Rec
3611	PJ Overhead Charges - PW/E	3656	Recreation Transaction Fee
3612	PJ Labor Reimbursement - PW/E	3660	Building Services
3613	PJ Vendor Reimbursement- PW/E	3661	Sales of Documents-Building
3614	Assessment for Capital Purpose	3662	Records Retention Fee
3615	Public Works & Eng Service Charges	3663	Building Service Charges
3616	PW & Eng Plan Check Fee	3664	Overhead Chgs Reimbursement
3618	Sales of Maps & Documents - PW/E	3665	PJ Overhead Chgs - Building
3619	Rents, Lease & Concession - PW/E	3666	PJ Labor Reimbursemt - Building
3671	Public Works Service Charges	3667	Building State Mandated Stds Fee
3672	Public Works Cost Recovery	3680	Planning Services
3620	Water and Sewer Charges	3617	Planning Fees
3621	Water Charges	3681	PJ Overhead Charges - Plan
3622	Water Service Agreements	3682	PJ Labor Reimbursement - Plan
3623	Metered Water Sales	3683	PJ Vendor Reimbursement - Plan
3624	Other Water Sales	3684	Sales of Maps & Documents - Plan
3625	Excess Water Use Charges	3685	Housing & Neighborhood Svcs
3626	Construction Water	3686	Planning Plan Check Fees
3627	Water and Sewer Reimbursements	3687	Animal Control Services Fee
3628	Sewer Service Charges		
3630	Fire Services		
3631	PJ Overhead Charges - Fire		
3632	PJ Labor Reimbursement - Fire		
3633	Fire Cost Recovery		
3634	Unwanted Alarms-Fire		
3635	Fire Enforcement-Penalties		
3636	Fire Enforcement-Training		
3637	Fire Service Charges		
3638	Sales of Maps & Docs-Fire		
3639	Fire Electronic Archive Fee		
3691	Fire GIS Mapping Fee		
3692	Fire Automation Fee		
3693	Fire - Rent, Lease & Concession		
3640	Police Services		
3641	Police Service Charges		
3643	Fingerprints		
3644	Sales of Maps & Docs-Police		
3645	Police Cost Recovery		
3646	Rents, Lease & Concess-Police		
3647	DUI-Police Cost Recovery		

370 Miscellaneous Revenue

- 3710 Development
 - 3710 Development
 - 3711 Storm Drain Connection Fee
 - 3712 Park Development Fees
 - 3713 Sewer Permit Fees
 - 3714 Treatment Plant Fees
 - 3715 Connection Fees
 - 3716 Fire Hydrant Fees
 - 3717 Encroachment Permit Fees
 - 3718 Impact Fees
- 3720 Special Assessments
 - 3720 Special Assessments
 - 3721 Special Assessments-Prepayments
- 3730 Recycling
 - 3730 Recycling
- 3740 Reimbursements
 - 3741 Repayment
 - 3742 Principal
 - 3743 Interest Income
 - 3744 Advance-Principal Repayment
 - 3745 Advance-Interest Earnings
 - 3746 HazMat Incidents
- 3750 Donations
 - 3750 Donations
- 3760 Developer Contribution
 - 3760 Developer Contribution
 - 3761 Contribution-Equipment
- 3770 Sale of Property, Plant and Equipment
 - 3770 Sale of Property, Plant & Equipment
 - 3771 Fire Safe Program
 - 3772 Police Abandon Properties
- 3790 Miscellaneous Revenue
 - 3791 Cash Over/(Short)
 - 3792 Clearing, Various
 - 3799 Miscellaneous Other Revenue

List of Expenditures

410 Personnel Services

- 4110 Wages
 - 4111 Permanent
 - 4112 Temporary
 - 4113 Overtime
 - 4114 Reimbursable Overtime
- 4120 Allowances/Leaves
 - 4121 Allowances
 - 4124 Leave Cashout
 - 4125 Accrued Leave
- 4130 Benefits
 - 4131 PERS
 - 4132 Group Insurance
 - 4133 Medicare
 - 4135 Workers' Compensation
 - 4136 Unemployment
 - 4137 MOU Contractual Agreements
 - 4138 Deferred Compensation
 - 4139 PARS
- 4140 Adjustments-Payroll
 - 4141 Payroll Adjustment
 - 4142 Vacancy Factor
 - 4143 Charged to CIPs
 - 4144 Reduced Funding
 - 4151 Compensation Reduction
 - 4152 Employee Pay PERS Contribution
 - 4199 Overhead-PJ's Contri Labor
 - 4198 Overhead-Payroll
- 4160 Retiree Benefits
 - 4161 Retiree Medical Reserve
 - 4162 Retiree Medical Payment
 - 4163 Retiree Medical Reimbursement

420 Services and Supplies

- 4200 Community Promotions, Grants and Loans
 - 4201 Community Promotions
 - 4202 Community Promotions-CC Allocated
 - 4203 Community Promotions-CC Unallocated
 - 4204 Cultural Arts Grants
 - 4205 Miscellaneous Grants
 - 4206 Sports Grants
 - 4207 Housing Rehab Loans
 - 4208 CDBG Grants
 - 4209 Miscellaneous Loans

- 4210 Department Allocations
- 4211 Equipment Replacement
- 4220 Supplies
 - 4221 Office
 - 4223 Departmental
 - 4224 Maintenance
 - 4225 Health and Safety
 - 4226 Senior Nutrition Food Supplies
- 4230 Services
 - 4231 Advertising
 - 4232 Blueprinting
 - 4237 Contractual Services
 - 4238 Contractual Services/PJs'
 - 4239 Audit Fees
 - 4240 Street Sweeping
 - 4242 Rents and Leases
 - 4243 Contributions to Non-City
 - 4244 Senior Nutrition Non-Food
- 4250 Legal Services
 - 4252 Retainers and Fees
 - 4253 ABAG Attorney's Fees
 - 4254 ABAG Settlements
 - 4255 Litigation
 - 4256 IBNR Adjustment
- 4280 Elections

421 REPAIRS & MAINTENANCE

- 4230 Repairs & Maintenance
- 4241 Repairs & Maintenance
- 4244 Rpars & Maint for Rental Prop

440 Communications and Utilities

- 4410 Communications
 - 4411 Phone-Local
 - 4412 Computer Data Lines
 - 4413 Phone-Long Distance
 - 4414 FAX
 - 4415 Pagers
 - 4416 Cellular Phones
 - 4417 Fire Alarms
 - 4418 Police Alarms
- 4420 Utilities
 - 4421 Gas
 - 4422 Electric

4423	Water	4713	Interest-Advance
4426	Solid Waste	4720	Contractual Obligation
		4720	Contractual Obligation
		4721	Cost of Issuance
441 UTILITIES - WATER		4730	Premium- Bond Prepayment
4420	Utilities	4730	Premium- Bond Prepayment
4424	SFWD, Wholesale Water Purchase		
4425	SCVWD, Wholesale Water Purchase		
4427	Recycled Water Purchase	480 Capital Outlay > \$5,000	
4428	Treatment Plant, Capital	4800	Capital Outlay
4429	Treatment Plant, M & O	4800	Capital Outlay
		4810	Land
450 Memberships, Training and Travel		4811	Land
4500	Memberships, Training and Travel	4820	Land Improvements
4501	Memberships and Dues	4821	Land Improvements
4502	Professional Licensing	4830	Buildings and Improvements
4503	Training and Registration	4831	Buildings and Improvements
4505	Lodging and Travel	4840	Infrastructure
4506	Meals for Meetings	4841	Infrastructure
4507	Per Diem	4850	Vehicles
4508	Mileage Reimbursement and Parking	4851	Vehicles
4509	Tuition Reimbursement	4860	Capitalized Leases
4520	Commissions and Boards	4864	Capitalized Leases
4521	Conference Expenses	4865	Capital Lease Interest
4522	Non-Conference Expenses	4870	Machinery and Equipment
		4873	Machinery and Equipment
460 Insurance Settlements and Contingencies		4874	Computer Hardware
4600	Insurance and Settlements	4875	Computer Software
4602	Liability	4880	Furniture and Fixtures
4610	Uncollectible Accounts	4881	Furniture and Fixtures
4610	Uncollectible Accounts		
4611	Collection Fees	490 Capital Outlay < \$5,000	
4630	Depreciation and Amortization	4910	Office Furniture and Fixtures
4630	Depreciation and Amortization	4911	Office Furniture and Fixtures
4640	Contingent Reserve	4920	Machinery, Tools and Equipment
4640	Contingent Reserve	4921	Machinery, Tools & Equipment
4650	Loss on Sale	4922	Computer Hardware
4650	Loss on Sale	4923	Computer Software
4660	Other Miscellaneous and Corrections	4924	Electronic Equipment
4660	Other Miscellaneous and Corrections	4930	Hydrants and Meters
		4931	Hydrants
470 Debt		4932	Meters
4700	Principal		
4701	Retirement of Principal		
4702	Principal-COP		
4703	Principal-Advance		
4710	Interest		
4711	Interest Expense		
4712	Interest-COP		

Abbreviations and Acronyms

AB	Assembly Bill	DDA	Disposition and Development Agreement
ABAG	Association of Bay Area Governments	DMV	Department of Motor Vehicles
ADA	Americans with Disabilities Act	DOHS	Department of Health Services
ALS	Advanced Life Support	DPC	Document Processing Center
AMR	American Medical Response	DPW	Department of Public Works
AP	Accounts Payable	EAP	Employee Assistance Program
AR	Accounts Receivable	EIR	Environmental Impact Report
ARRA	American Recovery and Reinvestment Act	EMD	Emergency Medical Dispatch
Auth	FTE Authorized Full-Time Equivalent positions	EMS	Emergency Medical Service
AVASA	Abandoned Vehicle Abatement Service Authority	EMT	Emergency Medical Technician
A / V	Audio/Visual Equipment	EOC	Emergency Operations Center
AWS	Allied Waste Services	EPA	Environmental Protection Agency
BAAQMD	Bay Area Air Quality Management District	EPC	Emergency Preparedness Commission
BART	Bay Area Rapid Transit	ERAF	Educational Revenue Augmentation Fund
CAD	Computer Aided Dispatch	FBI	Federal Bureau of Investigation
CAFR	Comprehensive Annual Financial Report	FEHA	Fair Employment and Housing Act
CalPERS	California Public Employee Retirement System	FEMA	Federal Emergency Management Admin
Caltrans	California Department of Transportation	FICA	Federal Insurance Contributions Act
CAPER	Consolidated Annual Plan & Performance Eval Rpt	FMLA	Family Medical Leave Act
CATV	Cable Television	FPPC	Fair Political Practices Commission
CCPI	California Consumer Price Index	FTA	Federal Transit Authority
CDBG	Community Development Block	FTE	Full-Time Equivalent
CEQA	California Environmental Quality Act	FY	Fiscal Year
CIP	Capital Improvement Program	GAAP	Generally Accepted Accounting Principles
CIT	Counselor in Training Program	GASB	Governmental Accounting Standards Board
CMAS	California Multiple Awards Schedule	GFOA	Government Finance Officers Association
CMO	City Manager's Office	Grant	GIS Geographic Information System
CO	Certificate of Occupancy	GPS	Global Positioning System
COBRA	Consolidated Omnibus Budget Reconciliation Act	Haz Mat	Hazardous Materials
COMPST	Computerized Statistics I Interstate	HCD	Housing and Community Development
COPs	Certificates of Participation	HMO	Health Maintenance Organization
COPS	Community Oriented Policing Services	HR	Human Resources
CPI	Consumer Price Index	HUD	U.S. Housing and Urban Development
CPR	Cardio-Pulmonary Resuscitation	HVAC	Heating, Ventilating and Air Conditioning
CRS	Community Rating System	ICMA I	ntern'l City/County Mgmt Association
CSMFO	California Society of Municipal Finance Officers	IS	Information Services
		IVR	Integrated Voice Recognition
		JPA	Joint Power Authority
		LAFCO	Local Agency Formation Commission

LED	Light-Emitting Diode	SERAF	Supplmntl Educ. Rev. Augmentation Fund
LIUNA	Laborers' International Union of N. America	SFPUC	San Francisco Public Utilities Commission
LID	Local Improvement District	SLETS	Sheriff's Law Enforcement Telecom System
LLEBG	Local Law Enforcement Block Grant	SOP	Standard Operating Procedure
LLMD	Light & Landscape Maintenance District	SV-ITS	Silicon Valley Intelligent Transportation
M & O	Maintenance and Operation	SVU	Silicon Valley Unwired
MEA	Milpitas Employees Association	SWAT	Special Weapons and Tactics
MLS	Major League Soccer	TABs	Tax Allocation Bonds
MOU	Memorandum of Understanding	TAG	Technology Application Group
MUSD	Milpitas Unified School District	TIA	Traffic Impact Analysis
MVP	Milpitas Volunteer Program	TDM	Transportation Demand Management
NAIOP	Nat Assoc of Industrial & Office Properties	TOT	Transient Occupancy Tax
NBO	Neighborhood Beautification Ordinance	UBC	Uniform Building Code
NOVA	North Valley Private Industry Council	UCR	Uniform Crime Reports
O&M	Operating and Maintenance	UFC	Uniform Fire Code
OES	Office of Environmental Services	VLF	Vehicle License Fee
OPA	Owner Participation Agreement	VTA	Santa Clara Valley Transportation Authority
OSHA	Occupational Safety and Health Admin	WMD	Weapons of Mass Destruction
PAL	Police Athletic League	WPCP	Water Pollution Control Plant
PAR	Performance Appraisal Report	YBA	Youth Basketball Association
PC	Planning Commission	YSB	Youth Services Bureau
PCR	Police Community Relations	YTD	Year to Date
PERS	Public Employees Retirement System		
PLAN	Pooled Liability Assurance Network		
POST	Peace Officers Standards and Training		
PPO	Preferred Provider Organization		
PRCRC	Parks, Recreation and Cultural Resour Com		
PRV	Pressure Reducing Valves		
PUC	Public Utility Commission		
RAP	Recreation Assistance Program		
R & D	Research and Development		
RDA	Redevelopment Agency		
RFP	Request for Proposal		
RPTTF	Redevelopment Property Tax Trust Fund		
RMS	Records Management System		
RWQCB	Regional Water Quality Control Board		
SB	Senate Bill		
SBDC	Small Business Development Center		
SBWRP	South Bay Water Recycling Program		
SAFE	Strategic Actions For Emergencies		
SCVWD	Santa Clara Valley Water District		
SEMS	Standardized Emergency Management		

Glossary of Terms

Accrual Basis — A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received and spent.

Accomplishment — Programs and activities successfully completed in the prior fiscal year.

Agency Funds — One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

Appropriation — An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Appropriations Limit — Proposition 4 approved by the voters in 1980 limits the amount of money that cities may spend each year. This limit is set each year based on the amount that was appropriated in 1978-79 and adjusted each year for population growth and a cost-of-living factor.

Assessed Valuation — The value of real property and improvements, as determined by the County Assessor, against which the property tax levy is assessed.

Asset — Resources owned or held by a government that have a monetary value.

Balanced Budget — A balanced budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures.

Bond — A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Budget — A plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them.

Budgetary Basis — This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar — The schedule of key dates which government follows in preparation and adoption of the budget.

Budgetary Integration — The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of the available appropriations and resources. A system of controls to ensure and demonstrate budgetary compliance with uncommitted balance of appropriations (avoid overspending or over committing budget) and unrealized revenues (monitor on an ongoing basis to determine whether spending reductions are needed to keep the budget in balance).

Building Permit Fee — Fee required for new construction or for any alteration or addition to a residence or commercial building. The fee is based on valuation. Electrical or plumbing/mechanical work also requires a similar permit with an itemized fee schedule.

Business License Tax — A tax imposed upon businesses in the community. The fee is a flat rate plus a minimal charge per employee.

Capital Assets — Assets of significant value and having a useful life of several years (the term fixed assets is also used).

Capital Budget — A plan of proposed capital expenditures and the appropriations to finance them. The capital budget is usually enacted as part of the complete annual budget that includes both an operating component and a capital component. The capital budget should be based on a capital improvement program (CIP) and is typically the first year of a multi-year CIP.

Capital Improvement — Projects which purchase or construct capital assets. Typically capital improvements include new street improvements, park development, the acquisition of land, major construction of public facilities, and major maintenance/repair projects such as street resurfacing or modifications to public facilities.

Capital Improvement Program — A comprehensive five-year plan of implementing proposed capital projects which identifies priorities as to need, cost, and method of financing during the next five years. The first year of the CIP is typically adopted as the current capital budget.

Capital Projects Fund — Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Capital Outlay — Expenditure for the acquisition of equipment for direct services with a useful life of two or more years and an acquisition cost of \$5,000 or more per unit (i.e. police vehicles, riding mowers, etc.). Capital Outlay is budgeted in the operating budget.

Comprehensive Annual Financial Report (CAFR) — The official annual financial report for the City. A CAFR is compiled by a state, municipal or other governmental accounting staff and audited by an external American Institute of Certified Public Accountants (AICPA) certified accounting firm utilizing Governmental Accounting Standards Board (GASB) requirements. It is composed of three sections: Introductory, Financial and Statistical. It combines the financial information of fund accounting and Enterprise Authorities accounting.

Contingency Reserve — A specific line item appropriation from which to distribute additional funds to decision units for salary increases resulting from employee contract negotiations and to pay for emergencies or unanticipated expenditures that from time to time arise during the course of a fiscal year.

Contractual Services — Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements and professional consulting services.

Debt Service — Payment of interest and repayment of principal to holders of the City's debt instruments.

Defeasance — The legal release of a debtor from being the primary obligor under the debt, either by the courts or by the creditor.

Department — An organizational unit of government which is functionally unique in its delivery of services.

Discount — The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Effectiveness — The degree to which an entity, program or procedure is successful at achieving its goals and objectives.

Efficiency — The degree to which an entity, program or procedure is successful at achieving its goals and objectives with the least use of scarce resources. Efficiency necessarily presupposes effectiveness.

Encumbrances — Commitments against an approved budget for unperformed (executed) contracts for goods and services. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Enterprise Fund — Used to account for specific services, i.e. water and sewer, which are funded directly by fees and charges to external users.

Equipment Charges — Charges or "rental fees" charged to user departments to defray the cost of maintaining the equipment used and to replace the equipment when it exceeds its useful life.

Expenditure — The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense — Charges incurred for operations, maintenance, interest or other charges.

Fiduciary Fund — The term is used when a governmental unit acts in a fiduciary capacity such as a trustee or agent. The government unit is responsible for handling the assets placed under its control.

Final Budget — The budget document adopted by resolution following the budget hearings in June of each year. The document formally incorporates any Council changes to the preliminary budget, resulting from the budget hearings.

Fiscal Year — The financial year for the City of Milpitas is July 1 through June 30 of the subsequent year.

Fixed Assets — Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture or other equipment.

Franchise Fee — A regulatory fee charged to utility companies for the privilege of doing business in the City of Milpitas, i.e. garbage franchise fee, gas and electric franchise fee, and nitrogen gas franchise fee.

Function — A discrete entity such as an organizational unit or groupings of interrelated programs within a department or division whose appropriations for salaries, services and supplies, and capital outlay can easily be subjected to analysis in the budget process.

Fund — An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Balance — Also known as financial position, fund balance is the excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other uses.

Gas Tax — Share of revenue derived from the State taxes on gasoline.

Generally Accepted Accounting Principles (GAAP) — The standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as Accounting Standards. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing, and in the preparation of financial statement.

General Fund — The main operating fund of the City.

Government Accounting Standards Board (GASB) — A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Governmental Funds — Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

Hotel/Motel Tax — A transient occupancy (less than 30 days at a hotel or motel) tax imposed for general purposes. The tax is currently 10% of receipts.

Infrastructure — The physical assets of a government (i.e. streets, water and sewer systems, public buildings and parks).

Interest — Income resulting from the prudent investment of idle cash. The types of investments are controlled by the City's Investment Policy in accordance with the California Government Code.

Internal Service Funds — Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary government and its component units or to other governments on a cost-reimbursement basis.

Legal Level of Budgetary Control — The lowest level at which a government's management may not reallocate resources without special approval from the legislative body.

Level of Service — A description of the services provided, or activities performed, and the cost and personnel requirements.

Line Item — The description of an object of expenditure, i.e. salaries, supplies, contract services, etc.

Materiality — The magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstance, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement. The objective of accountability in governmental financial reporting requires materiality to be judged in both a quantitative and qualitative manner (involves such issues as legal and contractual compliance).

Modified Accrual Basis — A basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and accumulated unpaid vacation, sick pay and other employee benefit amounts, which are recognized as expenditures to the extent they have matured.

Motor Vehicle In Lieu — A share of the revenue derived from registration fees charged by the State.

Objective — Program or activity intended to be implemented in the ensuing fiscal year.

Operating Budget — A financial plan for the provision of direct services and support functions.

Overhead Charges — A charge made to a developer account or the Redevelopment Agency to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account.

Park Development Fee — The fee paid by a developer or sub-developer for park or recreation purposes in lieu of the dedication of land.

Performance Indicators — Quantitative measures of accomplishments and objectives, sometimes known as workload/performance measures.

Personnel Services — Expenditures for salaries, wages and fringe benefits of a government's employees.

Personnel Allotment — List of full-time and part-time employees required to support a division or function, listed by their classification or title.

Personnel Analysis — Changes to personnel allotment from the previous fiscal year. Reorganizations, reclassifications and reallocation of resources are highlighted in this section.

Prior-Year Encumbrances — Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be an encumbrance when the obligations are paid or otherwise terminated.

Property Tax — A tax imposed on real property (land and permanently attached improvements) based upon the assessed value of the property. The tax rate may not exceed 1% of assessed value.

Proposed Budget — The budget document recommended by the City Manager that is approved as may be amended by the City Council during budget hearings. The hearings are held in May or June, and the approval of the Preliminary Budget gives spending authority effective each July 1st for the subsequent fiscal year.

Proprietary Funds — Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Recreation Fees — Charges for services provided to participants of Community and Recreation Services' classes, activities, and recreational sports.

Redevelopment — The planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation of real property, and the provision of such residential, commercial, industrial, public, or other structures appropriate to the general welfare of the City.

Redevelopment Property Tax Trust Fund — residual distributions of property tax revenue from dissolved Redevelopment Agency. The Redevelopment Agency is dissolved on 1/31/2012 due to ABX126.

Rents and Concessions — Charges for group rentals of City facilities.

Reserves — A savings account maintained for restricted use, i.e. self-insurance programs, capital improvement projects, or for unrestricted use to protect the City from emergencies or unanticipated expenditures.

Revenue Analysis — Departmental revenue sources are described. Revenue increases, decreases and strategies are highlighted in this section.

Sales Tax — Of the \$0.0875 sales tax paid on every \$1.00 spent when shopping in Milpitas, \$0.01 is returned to the City.

Supplies and Contractual Services — The category of line items that describe non-salary and non-capital outlay expenditures.

Special Revenue Fund — Used to account for revenue that is set aside for restricted use, e.g. gas tax receipts are set aside in such a fund to be used solely for street improvements.

Supplemental Appropriation — An additional appropriation made by the governing body after the budget year has started.

Taxes — Compulsory charges levied by a government for the purposes of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers In/Out — Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Unassigned Unrestricted Fund Balance — Available expendable financial resources in a governmental fund that are not the object of tentative management plans.

Working Capital — Working Capital is a financial metric which represents operating liquidity available to a business, organization, or other entity, including governmental entity. Along with fixed assets such as plant and equipment, working capital is considered a part of operating capital.

Workload/Performance Measures — Quantitative measures of services provided, or activities performed, by an organizational unit.

Index

A

Abbreviations and Acronyms	240
Authorized Positions by Division	59
Awards	23

B

Budget and Budgetary Accounting	213
Budget Guidelines	25
Budget Message	3
Budget Preparation Process and Timeline	28
Budget Summary	62
Building and Safety	129
Building and Safety Summary	133
Building Permit Revenue, Comparison with Other Jurisdictions	85

C

Capital Budget Summary	197
City Attorney	123
City Attorney Summary	127
City Clerk	115
City Clerk Summary	117
City Council	105
City Council Summary	109
City Council, Board and Commissions	54
City History	46
City Manager	111
City Manager Summary	113
Classification Plan Amendments	40
Community Improvement Projects	198
Computation of Legal Bonded Debt	58

D

Demographic Profile	47
Directory of Officials	56
Distribution of Expenditures	64
Distribution of Revenues	64

E

Economic Development	119
Economic Development Summary	121
Engineering	169
Engineering Summary	173
Expenditure Descriptions	223
Expenditures by Function	96
Expenditures by Fund (Detail)	89
Expenditures by Fund (Summary)	88

F

Finance	155
Finance Summary	159
Fire	187
Fire Summary	191
Fiscal Policies	32
Fiscal Year 2017-18 through Fiscal Year 2021-23	19
Franchise Fees, Comparison with Other Jurisdictions	87
Fund Descriptions	217
Fund Structure	61
Funded Permanent Positions by Department	60

G

Gann Limit Analysis	57
General Fund Revenue Assumptions	65
Glossary of Terms	242

H

History of "Other" Tax Revenue	86
History of Building Permit Revenue	83
History of Intergovernmental Revenue	86
History of Property Tax Revenue	80
History of Sales Tax Revenue	83
History of Transient Occupancy Tax Revenue	80
Human Resources	141
Human Resources Summary	146

I

Information Services	135
Information Services Summary	139
Internal Cost Allocation by Function Schedule	98

J

Joint Resolution Adopting the Final Budget	37
--------------------------------------------	----

L

List of Departments/Divisions/Functions	232
List of Expenditures	238
List of Funds	230
List of Revenues	234

N

Non-Departmental	193
Non-Departmental Summary	194

O

Operating Transfers Statement	100
Organization Chart	45

P

Park Improvement Projects	201
Planning & Neighborhood Svcs	175
Planning & Neighborhood Svcs Summary . . .	179
Police	181
Police Summary	185
Property Tax, Comparison with Other Jurisdictions	81
Public Works	161
Public Works Summary	166

R

Recreation	149
Recreation Summary	153
Resolution Adopting the Appropriations Limit . .	35
Revenue Descriptions	220
Revenues by Fund (Detail)	68
Revenues by Fund (Summary)	66

S

Sales Tax, Comparison with Other Jurisdictions	84
Sewer Improvement Projects	209
Storm Drain Improvement Projects	211
Street Improvement Projects	203

T

Transient Occupancy Tax, Comparison with Other Jurisdictions	82
---------------------------------------------------------------------------	----

V

Vicinity Map	53
Vision, Values & Goals	1

W

Water Improvement Projects	206
--------------------------------------	-----